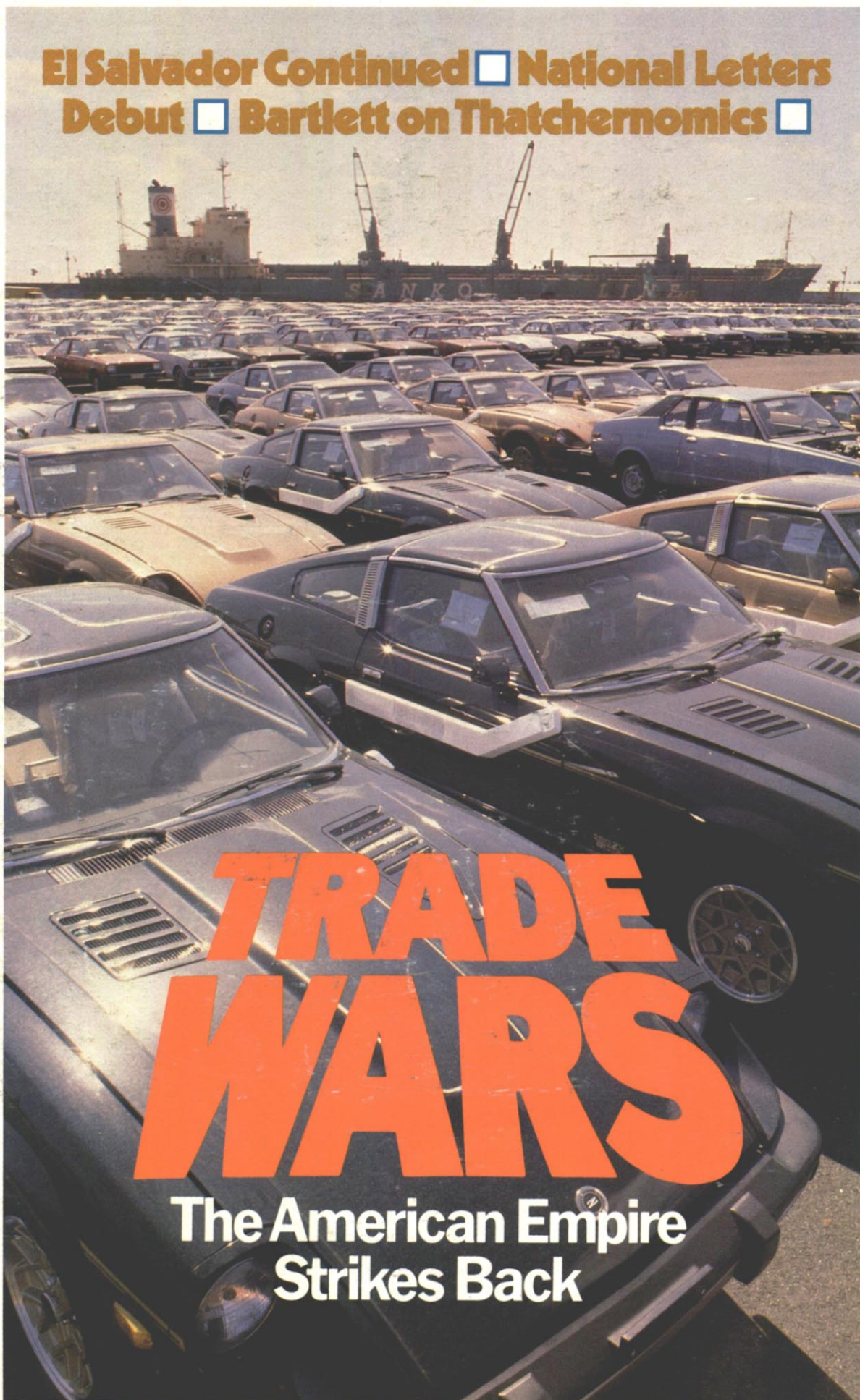


THE
LIBERTARIAN
REVIEW

June 1981
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TRADE WARS

The American Empire
Strikes Back

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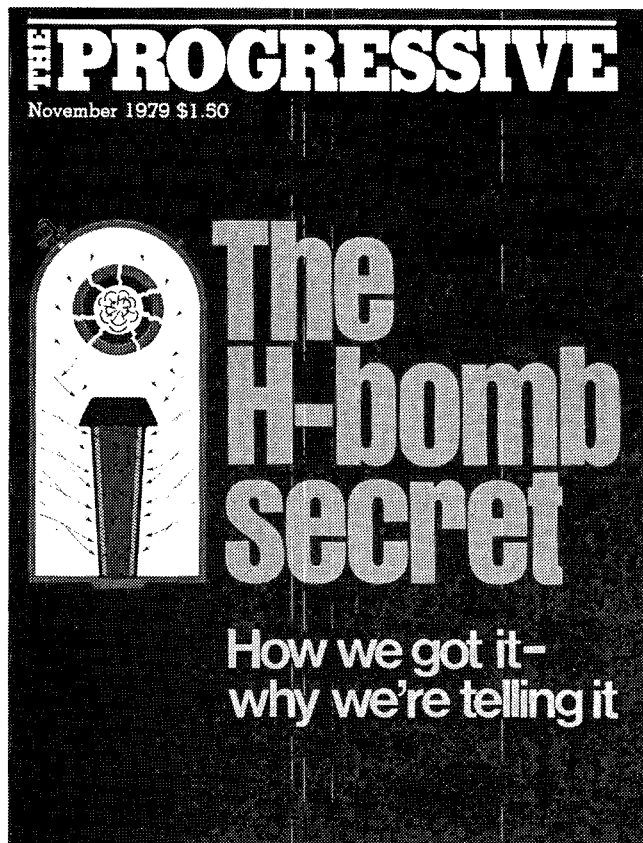
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THE LIBERTARIAN REVIEW

June 1981
Volume 10, No.6



Trade Wars

The continuing U.S. policy that uses foreign trade as both weapon and bait to influence other nations only makes us all poorer. Michael Ketcher examines the pitfalls of the embargo and Sheldon Richman analyzes the recent "Japanese invasion" fears in Washington.

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OPENING

THE LIBERTARIAN REVIEW



BILL BIRMINGHAM

REMEMBER JOHN B. ANDERSON, that secular saint of the wine-and-cheese set, who ran for President as "the quintessential man of principle"? He earned that accolade, so legend has it, when he fearlessly stood before 2000 New Hampshire gun owners and promised, if elected, to register their guns and outlaw their handguns. The national media went delirious with joy, as they were intended to, and proclaimed to all the land that here was a man Who Would Rather Be Right Than Be President. Now *Field and Stream's* E.B. Mann tells us that while his sycophants in the anti-gun media looked the other way, St. John the Incorruptible went on to beg (unsuccessfully) for campaign funding from ... the Citizens' Committee for the Right to Keep and Bear Arms.

The California State Senate struck a mighty blow for freedom of cuisine on March 19 when it defeated a bill that would have made it a crime to kill a dog or cat for food. The bill was prompted by reports that some Indochinese refugees in the state have not lost their taste for the flesh of our four-legged friends (dog soup, a traditional Vietnamese dish, is said to be delicious). Its sponsor,

one Marz Garcia of Menlo Park, defended this patently racist measure on the grounds that eating dogs and cats is "repugnant to most Americans." Some of the bill's opponents might disagree; the Senator from Chico expressed fears that his constituents would no longer be able to trap and eat bobcats and coyotes. Chico, by the way, is renowned as "The Velveta Capital of the World."

Who says nothing is being done about kiddie porn? The Richard M. Nixon Elementary School, in the Tricky One's hometown of Yorba Linda, California, will close its doors forever on June 11.

Guess who called the 18-cent stamp "a recommendation for fiscal irresponsibility"? The nine governors of the Postal Service, that's who; but of course *they* think it irresponsibly *low*. They had wanted to raise the price to 20 cents. For the historically minded, a first-class stamp now costs three times what it did ten years ago, six times what it did in 1954.

Once upon a time, FBI agents, National Security Agency operatives, and other "intelligence" agents ransacked homes, tapped telephones,

planted microphones and otherwise invaded the privacy of American citizens whenever they felt like it, in the name of "national security." Obviously this could not be tolerated in a free country, so now whenever the spooks feel the urge to spy on us they must first get permission from the U.S. Foreign Intelligence Surveillance Court. The FISC holds hearings in a special courtroom on the sixth floor of Justice Department headquarters, behind two bank-vault type doors with combination locks. The suspect has no right to trial by jury (there is a single judge), or to confront his accusers, or to call witnesses on his behalf ... or even to attend. In fact, he doesn't even know the hearing is taking place. Last year the FISC approved 207 requests to plant microphones, wiretaps, etc., and turned down none. (As one Soviet dissident asked in a different context: When has there ever been a judicial system in which the prosecution is *always* right?) The ultra-conservative Heritage Foundation has branded the secret court "constitutionally repugnant and a judicial aberration," which is a nice way of putting it. But don't think the Heritage Foundation actually believes its own wheeze about individual liberty; it deems the FISC, even in its current rubber-stamp incarnation, an infringement on the President's

duty to guard (you guessed it) the "national security."

China's *Guangming Daily* has revealed more of the wonders of socialized medicine (March 22, by way of Reuters press agency). "A minority of the medical staff," the paper complained, "are not interested in caring for patients or in practicing revolutionary humanitarianism. . . . They give special treatment to those with whom they have a special relationship and give out medicines through the back door. They treat their patients abominably and reprimand them for no particular reason. . . . The worst do not care if the patient lives or dies and act with total disregard for human life." The paper was commenting on a case in the city of Shenyang, in northeast China, where a surgeon left "a 15-inch long scalpel" inside his patient, then brushed aside his complaints for more than five weeks, saying acute stomach pains were perfectly normal after such an operation.

Smarting from charges that her administration has failed to clean up Chicago, Mayor Jane Byrne has ostentatiously moved into the squalid, crime-ridden Cabrini-Green housing project, vowing to stay "for as long as it takes to clean it up." That may take some doing; twelve people have been killed there since the

first of the year and 37 more injured, in disputes between groups with such colorful names as the Cobra Stones and the Black Gangster Disciples. But Her Honor is optimistic. "I'm not afraid over there at all," she declared before moving in, "and I think what you have to prove is that you don't have to be afraid." Indeed you don't, if, like Byrne, you "will receive extensive police protection" — but you won't learn anything about the social realities either. Better she should have stayed home and read Jane Jacobs.

Better wash behind your ears before you venture out on the streets of New York. Mayor Ed Koch plans to round up "homeless" New Yorkers and forcibly bathe them. The ACLU attacked the scheme, pointing out that "it's patently unconstitutional for the state to round up people and hold them on the grounds that they're dirty." To which Koch replied, with keen legal insight, "If that is true, and I'm told it is, that constitution is dumb."

The city of San Francisco has abandoned its brief experiment with publicly financed safety classes for sadists and masochists. More properly, it was San Francisco Coroner Boyd Stephens's experiment. Asserting that 10 percent of the city's homicides were S&M related (a figure he has since

withdrawn), Stephens held a workshop for gays where interested persons could learn, e.g.: "how to tie up a lover without cutting off his circulation." (*San Francisco Chronicle*, March 13, 1981) Stephens likened his efforts to earlier lectures on child abuse (how to prevent it, silly) and auto safety: "I'm just trying to help save lives." Mayor Dianne Feinstein, however, was enraged that the taxpayer's money should be spent on this "vague and seemingly ill-conceived" project, and ordered the coroner to leave the whips and chains to the private sector. But that very same day, according to *Chronicle* columnist Herb Caen, at least one person who called Feinstein's office was told "The Mayor's tied up — call back on Monday."

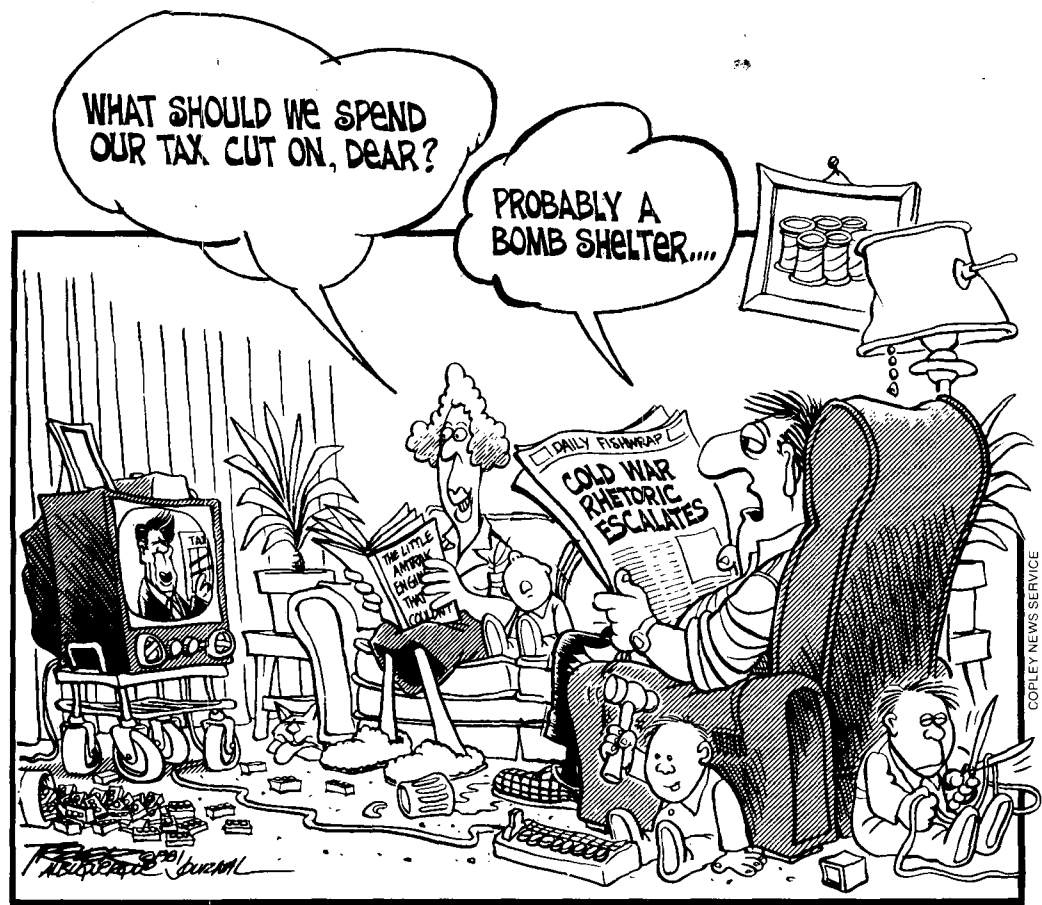
Last December 2, four American women, Catholic missionaries, were murdered in El Salvador, very possibly by Salvadoran soldiers or police. Jimmy Carter cut off U.S. aid to the ruling junta until the question of their involvement could be resolved. (It wasn't, but Jimmykins restored the aid anyway on December 17, to reward the junta for making Jose Napoleón Duarte their figurehead president.) But Ronald Reagan won't let a few murdered nuns embarrass him. His Secretary of State, the egregious Alexander Haig, told Congress that the killings

were just a misunderstanding. An autopsy on one of the dead nuns, Haig claimed, found windshield fragments in her wounds. "The most prominent theory," to hear him tell it, is "that either they [the nuns] were perceived or may actually have been running a roadblock" set up by security forces, who (now pay attention) "could have fired into the vehicle, killed one or more of the passengers, panicked, killed the rest and tried to dispose of the evidence." Or so Haig told the Senate Foreign Relations Committee on March 19. The version he told the House Foreign Affairs Committee the day before had the women killed in "an exchange of gunfire." (One almost forgets that the sisters were Maryknolls, not Mafiosos.) Haig admitted to the Senators that he had no "conclusive evidence" for the roadblock scenario, which turned out to be a considerable understatement. As the *Washington Post's* Al Kamen reported (March 23, 1981), no embedded windshield fragments were in fact found in any of the women's corpses; far from being "the most prominent" hypothesis, "no such theory is now or really ever has been considered in the investigation"; and "Haig's thesis would also contradict reports that two of the women were raped." Haig's lies are of a piece with other official slanders of the dead women: Assistant Secretary of State Ernest Lefever's dark mutterings about "nuns hiding machine guns for the insurgents" (as recorded by I.F. Stone in the March 4 *Village Voice*) and UN Ambassador Jeane Kirkpatrick's assertion last December that the four were "not just nuns but political activists" — presumably, rape and murder was thus no more than they deserved. Jimmy Carter, you will recall, was willing to sweep the murders under the rug if the junta would just cobble up some sort of "proof" that its forces weren't responsible. In contrast, Reagan's minions are willing to admit that four American women were indeed murdered by our Gallant Allies — but it was really their own fault. □

We welcome back Bill Birmingham's misanthropic vision of the world to the pages of *LR*.

JUNE 1981





Author response

WHILE I APPRECIATE JOAN Kennedy Taylor's gracious review of my book, *The Psychology of Romantic Love* [LR, February 1981], I was left a bit uncomfortable by her representation of my perspective on homosexuality. On the basis of my remarking that much of what I have to say about romantic heterosexual love applies equally well to homosexual love, she implies that I intended to subsume the homosexual under the heterosexual experience, much as woman is subsumed in many uses of "man." This is very far from the truth.

What I stated in the *Los Angeles Times* letter, to which she refers, is that I choose to write about the kind of love that I know best, from personal experience, as well as the kind of greatest interest to the majority of my readers. I was, in effect, asserting the right of heterosexuals to write about heterosexual love without needing to apologize to

homosexuals.

I do not know just how great the differences are between heterosexual and homosexual love, and I chose to write about what I do know—generally a good policy, I think we can agree. I am not prepared to say whether or not homosexual love fits my model of romantic love. I will admit I have reservations.

In any event, if a woman were to write a book on the psychology of women, would she be faulted for not giving men "equal time?" Ms. Taylor's remarks left me with the sense that she was defending me against something for which I need no defense.

NATHANIEL BRANDEN,
Ph.D.
Beverly Hills, CA

In defense of parents

ACCORDING TO THE LR review [February 1981] of Peter R. Breggin's latest book, *The Psychology of Freedom*,

"Breggin holds that a failure to love oneself enough is at the root of all psychological problems, and that we are taught this lack of self-love by our families." In *Reason* magazine (September 1977) Breggin also came to the conclusion that "Parenthood is the act of creating a captive for oneself."

I have no doubt that Breggin means well and is a libertarian pure and simple. But when a man and a woman make a voluntary commitment to each other and decide to start a family, creating captives is the last thing on their minds. Breggin's book seems to be suffering from the same delusions about the family that have dominated the thoughts of left wing political and social scientists for a hundred years (Marx, Engels, Freud, etc. etc.).

The family is the only non-profit institution with the express purpose of helping its members to be self-sufficient and independent. No other human institution can claim more devotion to that end, or derives more pleasure from the success of its members, because the prolonged emotional and hereditary relationship of the family is primarily based

upon voluntarism. Moreover, when you consider these facts, it is not surprising that Marx and Engels condemned Nature's most natural institution for its capitalistic characteristics.

The fact that the family frequently fails to fulfill its natural function in the welfare/warfare state should prompt the question: "Why?"—rather than condemnation. As the libertarian movement grows, the answers to questions like this will, of course, be rationally resolved. Ed Clark certainly made a giant step in that direction last year in his campaign book, *A New Beginning* (pages 90, 108 and 109). The "new right," however, did succeed in putting together a pro-family coalition during the 1980 election by rightfully attributing the problems of the family to the intrusion of government. But we really can not expect the "pro-family movement" to put an end to government intervention, because the movement also blames family problems on what they call the permissive society.

As a libertarian parent who expects to be a grandparent in the near future, I am diametrically opposed to the assumption of a pro-family policy by government, in any way or form. It seems to me that any parent who reads the Libertarian platform should realize that if they wish to have any prestige and influence over the lives of their children they must first liberate their children from the clutches of the state. Proudhon said it all when he recognized, "Liberty is the mother, not the daughter, of order."

For example: television, movies and peer groups are frequently accused of the corruption of the youth in America today. Yet child labor laws, compulsory education, and minimum wage laws not only segregate young people from the job market and the adult community but prolong their dependency upon their parents when they are ready to try their wings.

I believe the parents of America's families today are faced with too many critics. They are personally involved in the problems of their children but I doubt if they fully realize what impact job discrimination can have upon the

lives of their youngsters. They will dispute the idea that their children are property of the state, but they have been raised to believe that Americans—especially, the unproductive youth of America—owe their lives to their country—which means, of course, government.

It seems to me that the time has come for libertarian parents and grandparents to organize an association of LIBERTARIAN PARENTS FOR CHILDREN'S RIGHTS (LPCR) to put the family in perspective. [See Classified Ads, this issue.] No matter what age our children live to be, they will always be our children, and they are entitled to their constitutional rights. And if animals, in the freedom of the wild, do not expect their young to fight their battles for them, we should not stand around like a bunch of cattle and sheep when our government hauls away our children to be slaughtered in some foreign war.

BOB KREL
El Paso, TX

Criticism...

WHY DOES MILTON MUELLER sound like such a party hack in his editorial on John Lennon in the February *LR*?...

You see, the trouble is no one seems to remember Jeff Rigenbach's wonderful article in *LR* some months back [February 1979], "In Praise of Decadence." In that article, the author makes a convincing point that the counterculture represents a view of life that is uncompromisingly individualistic. Fortunately, that individualism (do your own thing, getting in touch with the self, pleasure) was analyzed there within a broad literary-cultural context, not just an economic-political one, which allowed the important auxiliary point to be made: that the counterculture was co-opted by the socialist Left and that *insofar* as the counterculture was political at all, the political Left arrogated to themselves its anger and views. From which follows that if the counterculture was never Left, there can be no drift or trend to the

Right. However, it does not follow from this that the counterculture necessarily subscribes to the political libertarian view. ... [T]here may very possibly be no strict ideological position *at all* at the very center of a "movement" in which Milton Mueller sees nothing but politically starved individuals, countless political opportunities, and demographics with the words Libertarian Party written all over it. In other words, the general movement may very well be libertarian, but is it cultural or economic-political?...

OWEN D. BEALL
Flushing, NY

...and appreciation

THE INTERVIEWS WITH Roger Baldwin (Jan.) and Maggie Kuhn (Feb.) are commendable examples of the kind of journalism expected from *The Libertarian Review*.

If libertarians are not exposed to the views of those who find fault with us, how can our movement grow and reach out? Too often I have been exposed to libertarians with closed minds who seem to think that freedom is perfectly acceptable so long as the free thoughts agree with their own.

Many vital issues perplex me. I have no easy answers and, as a libertarian, I find it difficult to accept any quick answer just because the word "freedom" is associated with it. Please continue to have more contrary opinion sidebars to the main articles of libertarian orientation.

VICTOR F. BERARDELLI JR.
Philadelphia, PA

JOAN KENNEDY TAYLOR probably won't be surprised but there is a Christian in Cincinnati who liked her article "The Government Gets Religion" (December). The followers of Falwell and company seem bound and determined to impose an earth-bound theocracy on us all. Such action is unscriptural and contrary to the teachings of Christ and his disciples. Historically speak-

ing, when men of Christian "religion" (but not necessarily of Christ) attempted religious domination through the vehicle of the state, the end result was not government by divine guidance but authoritarian rule by man, usually ending religious freedoms of those not in power.

Perhaps it would be instructive for the Moral Majority crowd to read the numerous writings of a unique Protestant theologian, Francis A. Schaeffer of the Swiss-based L'Abri Fellowship. His *How Should We Then Live?* (1976) in particular argues that the real disease of our time is the emergence of authoritarianism from both the left and the right and that it should be opposed by Christians. Schaeffer should be examined by Moral Majority types as well as anyone else (free-thinking Humanists, etc.).

As to Ms Taylor's examination of the church versus the state issue, I think the sooner the general populace is exposed to the libertarian alternative through writings of, say, Tolstoy, Kropotkin, Rothbard, Hess, and Bookchin (the way I came in from the right wing) to name a few, and oh, yes, *Libertarian Review*, the quicker we might not have to deal with the matter of state. And then of course everyone could choose with their own consciences on the matter of God and church.

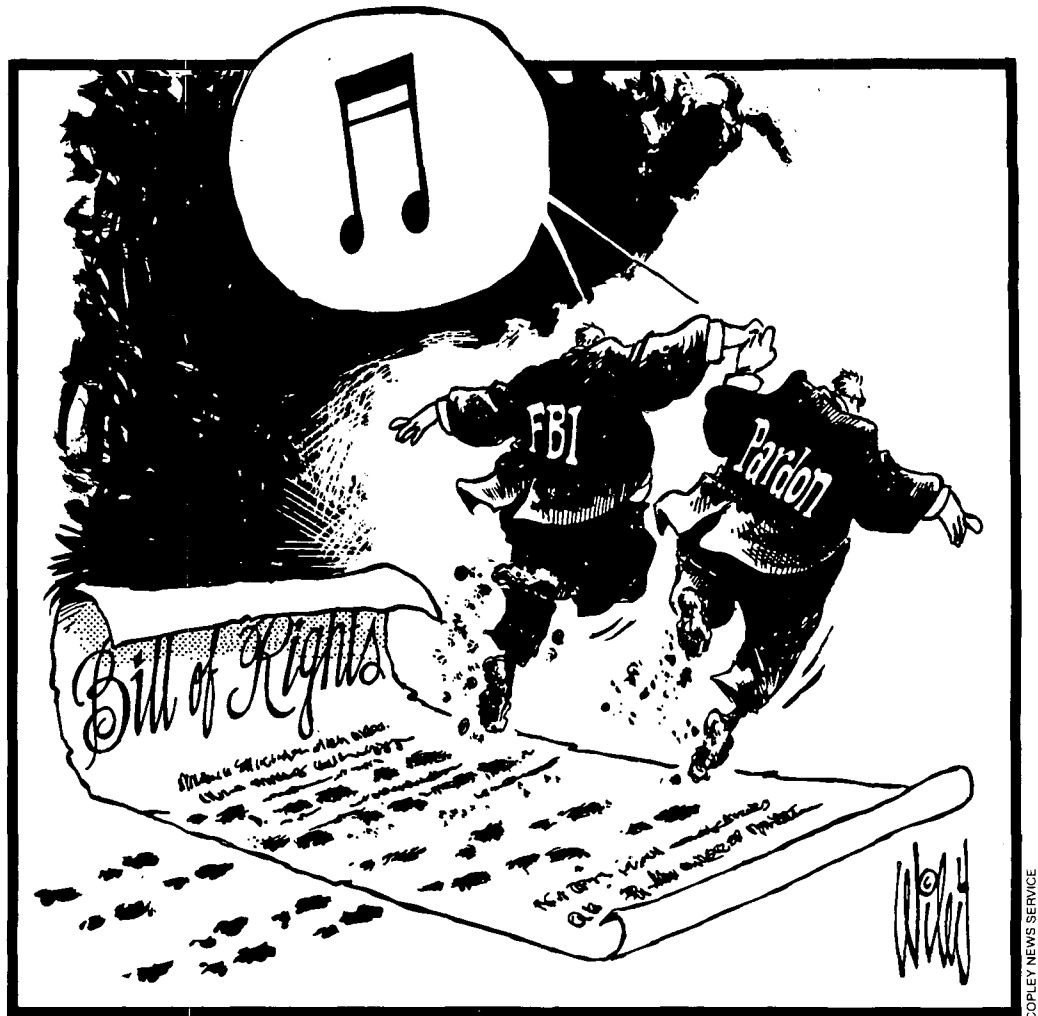
RANDALL HAINES
Cincinnati, OH

AFTER TWELVE MONTHS, finally an intelligent review of *Victorian Working Women*—and by someone who has obviously read the book. [Victoria Varga, February 1981] I just wanted you to know that I am tickled pink. In fact, I'm so impressed that I'm committing the ultimate act of editorial approval: I'm sending a check to your subscription department.

Honestly, I can't tell you how delighted I was to read your piece. Hiley is one of my favorite authors and that was one of the best books we published last year and it has sunk without a trace. God bless you.

DAVID R. GODINE
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LIB FETTERALS



COPLEY NEWS SERVICE

Coddling Criminals

ACCORDING TO THE OLD Western movie scripts, when a gang of bad guys perpetrate their dastardly deeds, justice is swift. They ride into town creating havoc, threatening lives, destroying property, and terrorizing innocent citizens. But the agents of law and order pursue them, capture them, bring them to trial before a judge and jury, convict them, sentence them, and promptly give them a full pardon after a few months.

Wait, wait... cut! That part about a "full pardon"—that's not in the script! It couldn't be! What kind of law and order is that?

What kind, indeed? Ask President Reagan. He just finished a script in which two criminals, convicted by a judge and jury of conspiring to violate the rights of innocent citizens, received full pardons for their crimes.

The two criminals were W. Mark Felt and Edward S. Miller of the Federal Bureau of In-

vestigation. In 1972 and 1973, they authorized break-ins and warrantless searches of the homes of friends and relatives of members of the Weather Underground, the leftist, sometimes violent anti-war group which took responsibility for various bombings and bomb threats during the late '60s and early '70s. Felt and Miller were indicted in 1978 and convicted in November, 1980. Felt was fined \$5,000; Miller was fined \$3,500. In April of this year, Reagan granted them "full and unconditional pardons."

The prosecution of Felt and Miller may have been the most praiseworthy act of the Justice Department during the Carter administration. It set at least a minimum standard beyond which individuals acting on behalf of the government were not to go in matters affecting the constitutionally guaranteed rights of other individuals. It affirmed the primacy of these rights over vaguely-conceived "security interests." It signaled that surreptitious break-ins and searches of people who might know something about suspected criminals were not

just wrong, they were themselves criminal acts.

With a stroke of a pen and a cleverly-worded statement, Reagan has blown that minimum standard to pieces. His Attorney General, William French Smith, not only fully endorsed the pardons, but indicated that *his* Justice Department would never prosecute government agents for such activity. "Had I been attorney general at that time [1978, when Felt and Miller were indicted], I would not have initiated those prosecutions," Smith told a nationwide audience on NBC's "Today" show.

Reagan's statement explaining the pardons gives several chilling clues as to what now constitutes permissible and even laudable action on the part of government agents. "America was at war in 1972, and Messrs. Felt and Miller followed procedures they believed essential to keep the Director of the FBI, the Attorney General, and the President of the United States advised of the activities of hostile foreign powers and their collaborators in this country."

Take that sentence apart, phrase by phrase. "America was at war in 1972..." More precisely, the United States government was engaged in an undeclared war in Vietnam, including bombing the bejeezus out of the Vietnamese countryside, towns, and civilians, which accomplished nothing but the loss of thousands of lives, billions of dollars, and the last vestiges of America's reputation as a force for peace.

"Messrs. Felt and Miller followed procedures they believed essential to keep the FBI, the Attorney General, and the President of the United States advised..." But that's the whole point: these "procedures they believed essential" — which the FBI refers to as "black bag jobs" — are violations of constitutional rights, criminal acts for which Felt and Miller were convicted. Picking locks and jimmying windows are, after all, "essential procedures" for common burglars.

"...advised of the activities of hostile foreign powers and their collaborators in this country." No doubt Felt and Miller had spotted a battalion of North Vietnamese troops marching across the Canadian border, and figured the best way to stop them was to break into the homes of American citizens who were never accused of anything. Eviscerating the Bill of Rights to fight "hostile foreign powers," real or imagined, is in the same category as "destroying this village in order to save it," another of the infamous legacies of Vietnam.

But Reagan, in his statement of pardon, saved his most seemingly persuasive argument for the end. "Four years ago, thousands of draft evaders and others who violated the Selective Service laws were unconditionally pardoned by my predecessor. America was generous to those who refused to serve their country in the Vietnam War. We can be no less generous to two men who acted on high principle to bring an end to the terrorism that was threatening our nation."

Acted on high principle. What principle was that? The Black Bag Principle? The Anything Goes Principle? The Ends Justify the Means Principle? It should be remembered that draft evaders and those who

refused to fight, whom Reagan shamelessly drew in to complete his false equation, held to a few high principles of their own. Whose rights did they violate by taking the stand they took?

The Bill of Rights was written and adopted into the Constitution for a specific purpose: to protect people from their government, the entity which holds a monopoly of legal force in society. Protections such as that against warrantless search and seizure of property are there for a reason, which is to keep government agents — of the FBI, the CIA, the IRS, OSHA, or the military — from doing the kinds of things government agents routinely did before the American Revolution, and which they still do in most countries. The safeguards and protections in the Bill of Rights have stood up reasonably well over two centuries of buffeting and erosion; we can be thankful for their resilience thus far. But in light of the return to an explicitly interventionist foreign policy, we should be especially vigilant for signs that Reagan, in "getting government off our backs," will allow it instead into our homes and our private affairs.

—CH

The issue is intervention

THE ARTICLES IN THIS issue of *The Libertarian Review* cover an unusually wide range — taxes in Great Britain, land reform in El Salvador, and automobile imports and embargoes in the United States. Or do they? In one sense, they each deal with a different aspect of one principle.

These subjects all exemplify attempts on the part of governments to achieve governmentally defined goals by intervening in the economic life of their citizens. Margaret Thatcher's "Thatcheronomics" is, as Bruce Bartlett points out, *not* a free market policy, but a variation on the economic policies which Great Britain has been following for years — and utilizes a taxation system that includes not only a steeply graduated income tax and prohibitive death duties, but also a value-added tax which

has been *increased* since the Conservatives came into power. Great Britain's taxation policies were designed by the Fabian Socialists to redistribute the wealth, and little has been done under Thatcher to reverse the process.

As for land reform in El Salvador, Roy A. Childs makes it clear in his analysis that the government there is not operating simply to return land to its rightful owners, as the police might return a stolen stereo set. Rather, it has tried to implement a complex system of land transfer and indemnity, to meet the needs and desires of the junta, the oligarchy, and the American government advisers. Almost the only group that has been excluded from this decision making process has been the peasants.

Our two "Trade Wars" stories are more obviously connected to the theme of government intervention in the economy. Michael Ketcher's discussion of what is wrong with embargoes, with particular emphasis on the grain and technology embargo imposed by President Carter against the Soviet Union in January of 1980, makes the point that our entire foreign trade policy is a "carrot and stick" one, which involves collectivising all foreign trade, so that the government can decide when to punish other countries by denying our citizens the right to trade with them or their citizens, and when to turn around and make "trade concessions," which are often subsidized by the American taxpayer.

A specific example of the carrot-and-stick policy is discussed by Sheldon Richman — the concern that government officials have over the effect on American automobile companies of the American consumer's love affair with the small Japanese car, and the attempt to deal with it by curtailing trade between the United States and Japan *without* taking formal protectionist steps, but by getting the Japanese government to do so.

The Libertarian Review has had a great deal to say of late about the evils of a policy of foreign intervention for the United States — meaning a policy that uses American clout and American arms to influence political decisions in other

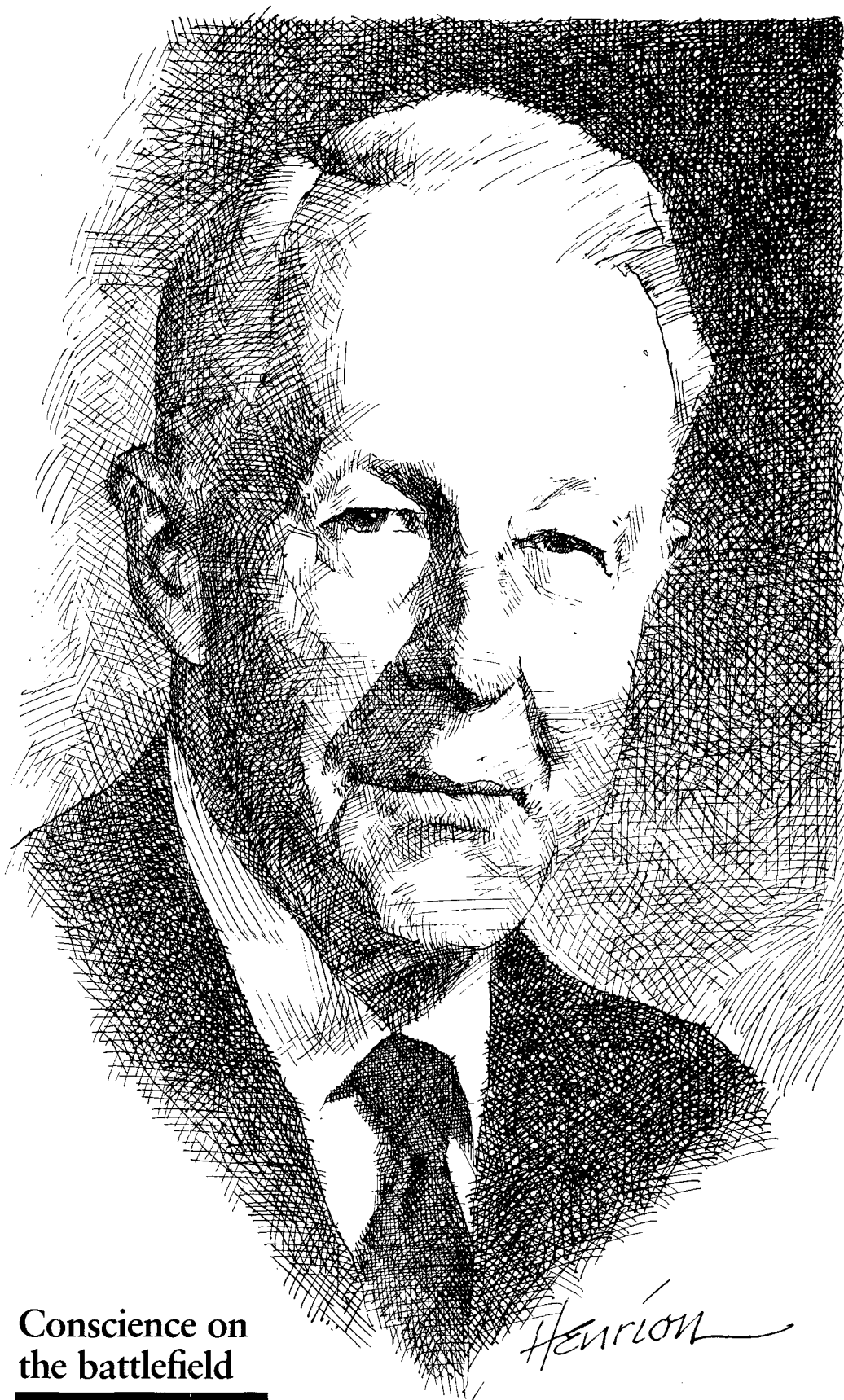
countries. What is implicit in the articles in this issue is that intervention into the economy is part of the same continuum. It is no arbitrary accident that the nineteenth-century classical liberals espoused a policy of laissez-faire in domestic economic matters and of free trade and anti-imperialism abroad. Since the world is a network of communication and trade among interdependent nations, foreign political intervention very quickly requires foreign economic intervention, which in turn requires economic intervention in one's own country. And vice versa: domestic economic regulation and "fine tuning" become foreign intervention, as the automobile industry has been discovering. It is not the case that we are merely using similar phrases to describe a government that tells its citizens under what circumstances they can produce goods, how they may or may not merchandise them, and what proportion of the proceeds they may keep, and a government that tells other governments what they may or may not do. The meaning of the term *intervention* in both cases is identical.

So the land reform program in El Salvador was, we find, made in the U.S.A., and one of its principal components was designed by Dr. Roy Prosterman, who also designed the famous land-to-the-tiller program which we exported to South Vietnam. And the Kama River truck plant, which supplied military vehicles for the invasion of Afghanistan and which is often cited as a reason to embargo technological exports to Soviet Russia, was not only built by U.S. technology, but was built through a government-to-government transaction.

Thus does economic policy become — as if led by a mailed fist, not an invisible hand — foreign policy. Whether we are speaking of communications and transactions between individuals within a country, or between individuals in different countries, the issue is — do individuals have the right to engage in any peaceable, nonviolent, nonfraudulent interchanges they choose to make, or not?

The issue is intervention. □

—JKT



Conscience on the battlefield

LEONARD E. READ

Leonard Read first published "Conscience on the Battlefield" as a pamphlet for the Foundation for Economic Education in 1951, during the Korean War, to encourage re-

flection on the relationship between war and liberty, and he reprinted it in a slightly modified form this Spring. In his Prologue to the Dialogue which follows, Read related that in February of 1918 he was one of some 2500 soldiers aboard the troopship *Tuscania*

when it was sunk by a German submarine and spent several hours "in a collapsible contraption on a very cold and angry Irish Sea." His thoughts then were "mostly about how to keep from freezing and how to remain alive." But in later years, as he grew in his under-

standing of the philosophy of freedom, he was moved to reflect on his experience. He asked himself, in 1951, "What would be my thoughts in a similar situation today? If, for instance, I were wounded and awaiting death on a Korean battlefield, what thoughts and ideas about war might I have in my last moments of consciousness?" He then imagined a dialogue with himself: one character his own, young, 19-year-old "warlike self," the other "my present peace-loving self," serving as a Conscience. And so, "the following dialogue," he writes, "is imagined to have taken place as I lay dying on a battlefield near the 38th Parallel in Korea." We have condensed the Dialogue by about one-third here, for reasons of space, and have omitted both the Prologue and Epilogue. The full text can be obtained from the Foundation for Economic Education, 30 South Broadway, Irvington-on-Hudson, New York 10533.

— The Editors.

Well, young man, you may think this is it. Perhaps you are wondering what comes next.

Who are you?

I am you, a part of yourself with which you hardly got acquainted. I am your Integrity, your Intelligence, your Humility, your Reason, your Conscience. In short, I am such Harmony as you have with Ultimate Wisdom — shall I say, with God? You have kept me in the background, hidden away from your earthly life. You have had only dim notions of my existence.

Why do you appear to me now in this last moment of life?

Appear now? You talk as though it were I who do the coming and going. I have been here all the time. You simply haven't seen fit to embrace me, to make me a real part of your earthly self. Frankly, this is the first time since childhood that you have been receptive. ... You are alone with me. I am all you have left. Thus it is that you feel I have come to you. On the contrary, this circumstance of your earthly departure has merely made way for me.

Strange that I should wait until now to know you. What an about-face in my sense of val-

ues! Fame? Always I was wooing her. Now I see her shallowness. Concern about Immortal Judgment takes her place, a concern I have not known before. How, dear Conscience, will I be judged?

... While in many respects you were an excellent person, the record shows that you killed men — both Korean and Chinese, and were also responsible for the death of many women and children during this military campaign.

That is correct, and I regret that it was necessary. But we were at war, a good and a just war. We had to stop Communist aggression and the enslavement of people by dictators. That war was in accord with United States foreign policy.

Did you kill these people as an act of self-defense? Were they threatening your life or your family? Were they on your shores, about to enslave you?

No, they were not. But you don't understand our foreign policy. It was very clever. It sought to thwart aggression by going to war against others before they could use aggression against us in our own homeland. It had the advantage of using someone else's country as the battleground. ... We merely anticipated the acts of our enemies by taking certain positive and necessary actions. We planned to lick them before they had a chance to become aggressive against us. Our motto was: "Never give up the initiative." I hope it will turn out all right. I was dealt this blow before the issue was settled. Conscience, what do you think?

In the first place, please understand that I don't care to discuss what you call your foreign policy. It is too late for that. The judgment which now concerns you must be rendered on you as an individual — not on parties or mobs or armies or policies or processes or governments. While governments limited to keeping the peace and invoking a common justice are necessary for mortal beings, before Him it is only the quality of individuals that counts. What collective can have any validity for you from now on? ... To take a human life — at whatever age, or of any color — is to take a human

life. You imply that you feel no personal responsibility for having killed these people. Why, then, did you personally accept the "honors?" ...

But, my Conscience, I had no choice. I had to do what others called my duty. Otherwise, my friends and fellow-citizens would have dubbed me a traitor. I would have been put in jail, disgraced before man, borne the name of a coward.

You are doubtless right about what would have happened to you, and at the very hands of those whose guilt is as great as yours. ... On the surface it would seem that more courage would have been required of you to attend strictly to Principle than to do what you did — than to take a part in tearing asunder what God has created. Deeper reflection, however, will reveal that you and others took on the characteristics of a herd, and by so doing surrendered your standing as individuals. By this drifting from personal action to mass action — a move that only alert intelligence could have avoided — a dilemma was created for you and for all members of the collective: the choice of shooting others or having others shoot you for forsaking them; to do as the others demanded, or risk the collective's penalty for non-conformance. ...

Very well! I am beginning to see what you mean. But I shall argue for absolution on the grounds that I did not know that I was doing a wrong. These points you have made never occurred to me before.

Do not overlook the fact that you were born onto earth with God-given mental faculties, with the power to reason. You had me with you all the time, yet often ignored me. You should have realized from the simplest earthly observations that there is no evidence of any absolution of cause and consequence on the grounds of not knowing. For example, assume that you were unaware of the law of gravitation, and jumped from atop a high building. Would the fact of your ignorance have made the fall any less severe? ... In spite of your lack of understanding of the reasons for it, you are dying. If Conscience has any function, it must be as a guide to the

avoidance of evil acts and their inevitable consequences ... Could you conceive of there being no penalty for ignorance, or reward for wisdom?

No, I could not, my Conscience. But, another question. Why do you say it is wrong to kill, and then imply that it is proper to kill, if necessary, to defend one's life?

The answer becomes clear if we think in terms of *who* initiates violence. It is evil for any person or set of persons to *initiate* violence against another. But, if another initiates violence against you, and if he dies in the process of your protecting your life, does he not, in reality, suffer death at his own hand, as in suicide? He initiates the action in the course of which he is killed. He, not you, is the author of the equation that destroys him.

I can plainly see that this is morally sound as relating to persons. But isn't there a different standard for a nation?

No! There is no new right brought into being by reason of you and another, or you and 150 million others, acting collectively. Whatever is immoral for you as a person is immoral for a number of persons. ... Were moral rights to exist in relation to number, a mob's actions would have a basis for approval. Russians would have rights not possessed by Americans. And might would, indeed, make right.

But what about the protection of others, beyond our number, who have had violence initiated against them? Suppose I had observed a bully beating a child, or a ruffian attacking my neighbor's wife? Should I have stood idly by as a mere witness to such outrage?

Not necessarily. It is presumed that in the case of a bully beating a child, or a ruffian attacking your neighbor's wife, you would have been as competent to judge initiated violence as if the violence were initiated against your own person. You asked the question because you think you see in it a situation analogous to the United States protecting South Korea. The situation is not analogous. You would not, of your own free will, give up your home, your business, even your life, to pro-

rect the South Koreans against the North Koreans. And for good reason.... You are as unaware of the forces at work in this Asiatic affair as you are of the causes of a quarrel between two headhunters. Am I wrong? If so, why have you been shooting Koreans and Chinese when the Russians are supposed to be the ones you fear? Are you expecting the North Koreans or the Chinese to invade the American shores?

Force! Coercion! Violence! Forever, it seems, people proposing force as a means to eliminate force! ... And you propose to rid the world of force by using force against those who admit they believe in force. In reality, you endorse the belief in force unanimous. What, pray tell, can you do with guns to make them question the rightness of their beliefs? Can you do more than to confirm their belief in guns and to incite the wider use of guns?

The belief in coercion is an idea just as much as the belief in freedom is an idea. It is for this reason that I think you have mistaken the nature of the conflict. It is ideological, not personal; it is of the intellect, not of the flesh. A ferment now goes on in the minds of men, ideas demanding violence as the means to a communal way of life. As in every ferment a scum rises to the top, as fungus

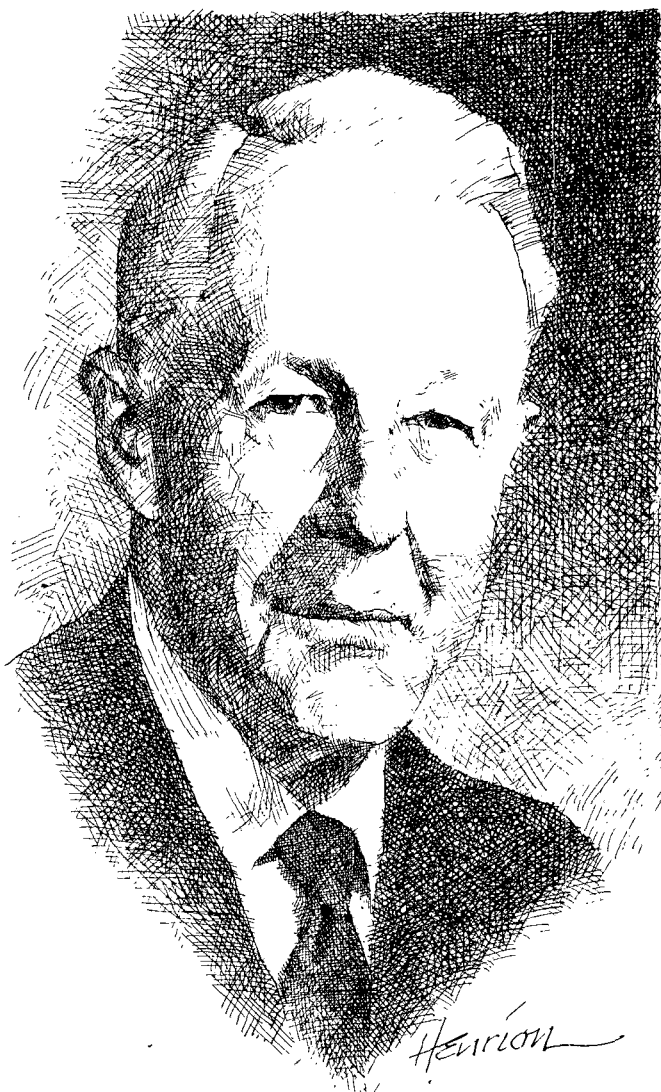
on a muck heap. These bad ideas which rise out of the ferment are not to be destroyed by killing the persons who voice them. The swirls in the ferment will throw up replacements endlessly. Killing merely agitates the process, as a poke on the jaw usually evokes a retaliatory poke on the jaw. It's the ideas which have to be considered. The route to better ideas is evolutionary and peaceful, a matter you should have pondered long ago. Better ideas are not shot into persons with guns. Can you not see that gunners, except when acting in self-defense, have contracted the very disease they are bent on destroying?

What you are saying is that the people of the United States do not know their own interests; that coercion, the essence of the dictator idea, produces better results than man in free action. You are saying that your countrymen are ignorant if free, but that one or more of their number, politically selected, will force them to act wisely if given enough power. You are saying that wisdom is generated by the mere act of giving some person or persons

a monopoly of coercion. If this be true, why do you not accept the Russian arrangement and be done with it? Does it really matter whether an American or a Russian has a gun in your back? I thought you were fighting for freedom. Isn't it possible that the way to advance freedom is to behave like free men rather than like regimented men? You, I fear, have been spreading the very disease you claimed to be trying to destroy.

... Hardly an American favored this [Korean] war if tested by his willingness voluntarily to sacrifice family, fortune or life. This war could not have happened short of involuntary service. And as was to be expected under these circumstances, the result has been less security for America. Our excursion into Korea is creating a like-mindedness, the will to voluntary service against us on the part of the Asiatic people. These steps which are weakening an America that was strong are strengthening an Asia that was weak.

...I wish, however, that you would elaborate even more on



Leonard E. Read: an appreciation

For nearly 48 years, Leonard E. Read has been writing (more than 27 books so far), teaching seminars, conducting lectures, and introducing everyone he met, from businessmen to young students, to what he calls "the philosophy of freedom." He was pursuing a successful career in business and Chamber of Commerce work when he became interested in libertarianism through a meeting in 1933 with the individualist industrialist William Mullendore. In the mid-1940s, Read began to publish libertarian works under the imprint of Pamphleteers, Inc., which brought out the first American edition of Ayn Rand's *Anthem*, and brought back to public awareness the works of such classical liberal figures as Frederic Bastiat, the early nineteenth-century French apostle of free trade.

In 1946, Read founded the Foundation for Economic Education (FEE) and began to devote his full time to teaching and writing about liberty. He gathered around him, on the

beautiful five-acre estate which serves as FEE's headquarters, some of the most influential figures in post-World War II classical liberal-libertarian thought: teachers and writers like Frank Chodorov, F. A. "Baldy" Harper, Ludwig von Mises, Percy Greaves, and Henry Hazlitt. (It was through this early gathering of individualists that Murray Rothbard first became acquainted with the economic writings of his mentor, the late Ludwig von Mises.)

When *The Freeman*, the last journalistic effort of the Old Right, found its financial situation crumbling, Leonard Read and FEE rescued it, eventually converting it into the monthly, 64-page, free-on-request magazine which has been publishing essentially libertarian writings ever since. Truly, FEE has been the cradle of the modern libertarian movement.

From the beginning, Read's philosophy has been one of individualism, liberty, private property, free trade, and international peace. His devotion to

why most individuals will not kill on their own responsibility, but will take part in mass killings. If these acts of ours which turn out to be evil were done in ignorance, why so wide the lack of understanding? All people seem to be similarly at fault to some degree.

... The key to your mortal confusion, I believe, has been a failure to perceive, until now, the nature of the collective. You have admitted—and I believe you—that you as an individual would not kill another person. But oftentimes men personally as virtuous as yourself have joined a mob, lynched and killed someone, and attached no personal guilt to themselves at all. The collective—the mob—was responsible for the deed, so they thought. But the mob... is but a name given to an arrangement which consists only of individuals. Can other than persons be responsible for acts, be the acts done alone or in association?

But I was not acting as a member of a mob. I acted in response to my government.

Government, also, is a col-

lective. It differs from the mob in that it is organized, legalized, formal force, presumably founded on deliberation rather than on impulse. But government is no more subject to eternal damnation or Immortal Glory than is an illegal mob. It, also, is but a name given to an arrangement which consists only of individuals. They—and they alone—are responsible for what they do collectively as government. They—and they alone—are subject to Judgment.

Most persons believe some form of government to be necessary as a means of achieving maximum liberty. But unless they succeed in properly limiting government, they will surrender some—or even all—of their personal rights and responsibilities to it. Unless they understand the nature of coercion—its power only to suppress, restrain, destroy—they will yield to it and lose their ability to act creatively. Government has the necessary and logical function of protecting the property and life of all citizens equally. But if people fail to understand the nature of coercion they will attempt to

use this force of government even for creative purposes; they will vainly attempt to use a negating physical force—government—as a means of accomplishing a positive good. Unless they comprehend coercion, many of them will rob in the name of charity, plunder in the name of prosperity, and kill in the name of God...

Were there none of my forebears who understood the nature of the collective?

Yes, many of them. One of your countrymen perceived these dangers and gave a warning that was little heeded: "That government is best which governs least." It is only when the agenda of government are minor and incidental to the aggregate action of a people that the agenda can even be understood, let alone accepted personally as one's own....

Thank you, my Conscience. But what is there for me now?

Your life is now about to end. Will you not from here on be judged for what you were? You will no longer be in the realm of the to be. What you

have been will condition what you *will be*, or so it seems to me.

What has happened to your life is not at all uncommon. You simply elected to act in a way pleasing to some of your earthly contemporaries. You gave little weight or thought to Immortal Judgment. You chose to have your honors before your fellowmen rather than before God. You gave preference to man's medals and plaudits over and above the Reward you now seek. You were given your opportunity, and you made a choice. As a consequence, will not your spirit and influence go down through the ages as you elected they should? Were you not the judge, and have you not passed judgment on yourself by your life and the way you lived it? It seems to me that you have made the pattern of your life in the Everlasting World, a part of which you have made in this last moment of consciousness as a mortal being. Let us, since you and I are now one and inseparable, be eternally grateful that so much of it appears to have been good. □

Truth and Freedom, a devotion which is truly "religious" in its broadest sense, is a theme running through all his works and all his teachings. In his near-classic *Anything That's Peaceful*, he wrote, "A man has a commitment to his own conscience, that is, to truth as his highest conscience discerns truth, and every word and deed must be an accurate reflection thereof." Naturally, to follow the dictates of their own consciences, human beings must be free. Read stressed that in his explanation of the title of the aforementioned book.

By my title, "Anything That's Peaceful," I mean let anyone do anything he pleases that's peaceful or creative; let there be no organized restraint against anything but fraud, violence, misrepresentation, predation; let anyone deliver the mail or educate or preach his religion or whatever, so long as it's peaceful; limit society's agency of organized force—government—to juridical and policing functions, tabulating the do-nots and prescribing the penalties against unpeaceful actions; let the government do this and leave all else to the free, unfettered market!

All of this, I concede, is an affront to the mores. So be it!

For Leonard Read, socialism is a parasitic, noncreative system which rests on predation (ultimately, on raw violence) and an insolent, authoritarian pretension to "know what is best" for other people. Read rests much of his argument on an insight gleaned from reading F. A. Hayek's essay, "The Use of Knowledge in Society," to wit, that in conducting a life in society each individual tacitly relies on far more information than any one person or organized group, such as government, can ever amass or obtain; our very lives rest on our ability to make free use of the information which other people have and impart to us through their actions in a free market economy.

His opposition to war has much the same root: we do not have the right to use violence and coercion. It was during the Korean War that an irreparable split developed between the isolationist, anti-war "Right," epitomized by Chodorov, Flynn, and Harper, on the one hand, and the new, Buckley-led Cold War Right which grew into the modern conservative

movement, on the other. While remaining on friendly terms with much of the conservative movement, Leonard Read never lost sight of certain basic truths. In his Prologue to "Conscience on the Battlefield," Read wrote, "An analysis of liberty that would, at this juncture, prove 'popular,' would be useless. ... It is strange that war, the most brutal of man's activities, requires the utmost delicacy in discussion. ... War is liberty's greatest enemy, and the deadly foe of economic progress."

In each of his works, whether it be *Why Not Try Freedom*, *Elements of Libertarian Leadership*, *Let Freedom Reign*, *The Love of Liberty*, *Liberty: Legacy of Truth*, or my own favorite, *Anything That's Peaceful*, there is a shimmering regard for the sanctity of individual life and individual excellence. The free market-private property philosophy of freedom is, for him, primarily a *spiritual* philosophy, leading to the greatest possible release of human energy and creativity. And his teachings reflect his attitudes

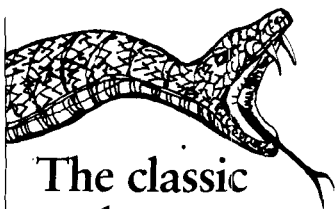
even more clearly. For when his biography is written, Leonard Read will doubtless go down in history as one of the greatest *teachers* of liberty of our time, his soft-spoken, almost aristocratic elegance pulling individual minds into reflection and thought by the sheer power of attraction.

At the close of many FEE seminars, Read stresses the importance of self-improvement, of the pursuit of excellence in attracting people to the philosophy of freedom. And he ends by making his point this way: the lights in the room are dimmed, and, in the blackness of the room, a candle is lit. As the flame flickers, Read says simply, "Not all the darkness in the world can put out the light of one single candle."

Leonard Read has endeavored to be a candle, aflame in the darkness. Because of him, there is a great deal more light in the world today than there was when he began, nearly 48 years ago, to preach the philosophy of freedom. □

—Roy A. Childs, Jr.

13



The classic snake

CHRIS HOCKER

DOES THE GOVERNMENT know what it's doing?

As children in school, most of us were brought up with the idea that of course government knows what it's doing. You see this attitude reflected by adults in "man in the street" type interviews about significant government actions. "I don't really understand it myself," is the not uncommon response, "but I figure they must know what they're doing."

On the other hand, most people simultaneously hold a conflicting view about government. The same man on the street who figures the people in government must know what they're doing will spend two frustrating days trying to get the city to pick up his garbage and finally conclude, "Those people don't even know what they're doing."

Actually, both views are correct, as the following story illustrates.

An article on the front page of *The Washington Post* (March 6, 1981) told of a Maryland state senator, Edward Conroy (D-Bowie), who introduced a bill to help the business interests of one of his prominent constituents. In Maryland, stories of special interest legislation and political corruptions are as common as crabs in the Chesapeake, and usually not worthy of front page coverage. In fact, the article itself noted that the Maryland legislature has its own term for special interest bills. They're called "snakes," presumably because no one sees them coming until they've struck without warning.

Conroy's bill is a classic snake. It would require auctioneers of automobiles and other motor vehicles in Maryland to be licensed. And only Maryland residents could get this license. This sounds pretty harmless; as the article notes, the bill "levies no taxes, creates no new programs in state gov-

ernment and, in fact, seems to do so little of significance that some of the legislators who unanimously voted it out of committee had trouble remembering it."

Conroy has a constituent, Walter Meinhardt, who runs an auto auctioneering firm. Meinhardt also happens to be the president of a bank in Conroy's district and a prominent activist in and contributor to the Democratic Party. His auctioneering firm presently auctions approximately 30,000 vehicles per year, or about 30 percent of all the vehicles auctioned in Maryland, most of which come from contracts with public utilities, such as the telephone company and the electric company, that replace thousands of their vehicles each year.

The auction business, both for autos and most other goods, is one of the last bas-

car over, even bring in their own mechanic to test it, but if they buy it and the wheels fall off, that's their tough luck. With this understanding firmly in place among all parties involved, auto auctions are a big business, and an operation like Walter Meinhardt's will turn over as much as \$10 million annually.

Even so, Meinhardt was worried. More and more frequently, auctioneers from outside of Maryland have been passing through the state and auctioning vehicles wherever they could before traveling on to the next state. Up to 40 percent of the auction sales in Maryland are handled by these itinerant, fly-by-night outfits. What's this country coming to when just anyone can come in, make a few bucks on an auction, and then leave? For God's sake, these people could even be from North Carolina!

Special interest bills are called "snakes" because they strike without warning.

tions of *caveat emptor*. Autos sold at auction are rarely purchased by individual consumers, but rather are bought by dealers whose business depends upon their ability to select saleable used cars for resale on their lots, although a saleable car can look good and still be a lemon mechanically. As a general rule, cars bought at auction and resold are of lower mechanical quality than those which dealers take in trade, and they're often part of a fleet of vehicles which have been owned by a corporation or a government agency while being driven by any number of people. If you buy a used car from a dealer whose primary business is new cars, it's probably not an auction car; if your used car came from "Honest Al's" independent used car lot, it came either from an individual who sold it for some quick cash, from a new car dealer who took it in trade and didn't want it on his lot, or from an auction. Dealers who frequent auto auctions know absolutely that the cars they buy are sold "as is, where is"—that is, there are no warranties of any kind. They can look a

Meinhardt asked his friend Conroy to introduce the bill requiring licensing and Maryland residency, and the senator was happy to comply. Not wanting to be irresponsible about it, he asked the state Motor Vehicle Administration (MVA) to look the bill over and make a recommendation. The MVA didn't really know what the bill was about, but as one official was quoted, "We shy away from not taking a position on a bill, so we tend to support it, but even so our stance is basically no position." The official, no position and all, testified on the bill before the legislative committee.

The primary argument for the bill, according to the *Post*, was licensing would give citizens recourse in case of fraud. Have there been any reported instances of auto auction fraud in Maryland? Well, no, says the MVA; remember that the "citizens" in this case are auto dealers who understand about auctions. But the MVA official went on to say, "Apparently, there's a problem that [Meinhardt's firm] is experiencing that the MVA isn't aware of—or I assumed there is, or they

wouldn't be pushing this bill." The "problem," of course, is competition in a free market.

So the bill sailed unanimously through the legislative committee and is presumably on its merry way, leaving 40,000 more automobiles per year to divide up between Meinhardt's firm and any other auto auctioneer who lives in Maryland and bothers to get a license.

Neat, huh? The snake strikes again.

This Maryland case is particularly blatant, but in fact most, if not all, licensing schemes are snakes, as are regulatory agencies designed to oversee specific industries. They all have the effect of limiting competition in some way, usually by erecting artificial barriers to entry into a given business or industry. To mix the metaphor, programs like this are lemons on the legislative used car lot, represented to the voters as "protecting their interest," but in reality benefitting narrower interests which are able to take advantage of government force.

Realizing this helps explain why most doctors, lawyers,

and real estate brokers support strict licensing requirements, why many airlines opposed airline deregulation, why virtually all big trucking companies oppose trucking deregulation, and why Congress overwhelmingly passed the Federal Election Campaign Act which allows any party to participate freely in the political process so long as it's Republican or Democrat.

Does government know what it's doing? In any given government machination, most of the people involved probably don't. In the case of the Maryland auctioneer license bill, the legislative committee probably didn't know what it was doing, and the Motor Vehicle Administration certainly didn't know what it was doing. All it took was one person—Conroy, the senator who introduced the bill. He knew exactly what he was doing. He was getting a law passed to put some people out of business, and he knew where to find the power to make it happen. □

Chris Hocker is the publisher of *LR*. His "Political Eye" column appears monthly.

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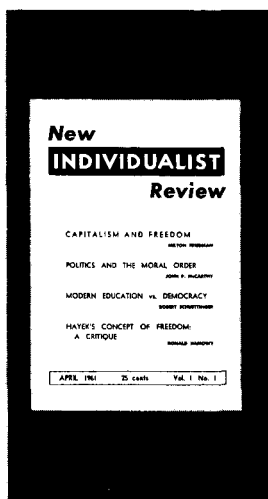
The *New Individualist Review* was published at the University of Chicago from 1961 to 1968. It published articles by an unusually distinguished group of contributors, including F. A. Hayek, William F. Buckley, Jr., Milton Friedman, and Ludwig von Mises.

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THE EMBARGO Weapon of Intervention

MICHAEL H. KETCHER

The Reagan administration, by failing to end immediately the unsuccessful grain and technology embargo against the Soviet Union signalled to the world that the United States will continue to use its international trade policies as a weapon of political intervention. What Reagan — and Alexander Haig, who advised that the embargo be maintained until the spring—fails to understand or chooses to ignore is that an embargo, whether invoked for human rights, national security, or to influence another country's behavior, is an outmoded, cold-war tactic that heightens antagonism, often

encourages reprisals, and may lead to war.

Rather than hindering our enemies, embargoes may actually help them by creating tensions between us and our allies, whom we expect to obey the embargo, and by harming certain sectors of the domestic economy, thus dividing the country on the home front. Besides, embargoes don't work.

Former President Carter's ban on grain and technology sales to the Soviet Union is the most recent example of the embargo as policy failure. On January 4, 1980, Carter announced the embargo, citing foreign policy and national-security reasons somehow related to the Soviet invasion of Afghanistan.

An embargo rarely
stems the flow of
goods and information,
and seldom brings about a
significant change in the
target country's policies.



A wheat harvest in Alberta, Canada. When the U.S. tried to placate its farmers by permitting them to sell to China rather than the embargoed USSR, Canada retaliated by letting its farmers sell to the Soviets.

BRUCE J. LYNN PICTURE GROUP

Items banned included high-technology products, fodder grain, feeds, meat, and dairy products. Exempted were eight million tons of grain promised in a 1975 trade agreement with the Soviets, coffee, cacao, tobacco, and vegetables, except, curiously, peanuts.

And now, a year-and-a-half later, how did the loss of American grains and peanuts affect the Soviets?

Just as the 1973 Arab oil embargo did not have much influence on U. S. foreign policy, neither did the Carter embargo noticeably influence the Soviet presence in Afghanistan, or in Eastern Europe.

The Soviet press wrung as much propaganda value as possible out of the sanctions. More than one journalist compared Carter's policy with Hitler's World War II blockade of Leningrad, and accused the U. S. President of trying to starve the Russian people. Nobody did starve, however, although the embargo undoubtedly caused some inconvenience, such as higher prices, spot shortages, and longer lines for food. To compensate for the 17-million-ton grain shortfall in Russia, several countries, including Argentina (a target of Carter's human rights embargo), Spain, Brazil, and even Thailand, eagerly filled Soviet grain orders, raising their prices by as much as \$1.50 a bushel.

Meanwhile, back in the United States, the embargo was causing inconvenience, even harm, to our own citizens. It angered farmers and grain companies who stood to lose millions from the blocked shipments. The Carter administration tried placating them by budgeting some \$2.8 billion to support prices by buying up grain and contracts. According to the *Christian Science Monitor* (January 30, 1980), that's an extra \$13 in taxes for every man, woman, and child in the country.

To pacify farmers further, the Carter administration contracted to sell more than \$2 billion worth of grain to China during the 1980-81 selling year. This infuriated Canada and Australia, two major grain exporters who had been long-time suppliers of China and who had agreed to abide by the Carter embargo provided that the United States not invade their markets. When Carter announced the China deal, both countries accused the U. S. of violating the embargo agreement, and by winter, 1980, they had joined Argentina in selling to the Soviets.

Those were the real winners in Carter's grain embargo. If trade is an exchange benefitting both parties, then trade restrictions benefit neither. Certainly, neither the Soviet Union nor the United States gained anything. The only ones

who come out ahead in an embargo are those who seize advantage of the misallocations and dissatisfactions caused by the restrictions.

Ronald Reagan is one such person. Originally a staunch supporter of the embargo, candidate Reagan shifted his position somewhat as the November election drew near. And the shift paid off big in the Wheat Belt. From the Texas panhandle to North Dakota and from Washington State to Minnesota, Republicans reaped the dividends. One Texas newspaper said that Reagan's anti-embargo stance helped him carry some 30 north-Texas farm counties. And in North Dakota's five leading wheat producing counties, Reagan showed an average 20 percentage point gain over Gerald Ford in 1976. According to syndicated columnist Kevin Phillips, "there are probably 60 to 80 wheatgrowing counties where Reagan ran at least 10 points ahead of Ford, and most of those gains can be chalked up to just one thing—the Republican's promise to get rid of the discriminatory grain embargo."

Reagan has often been accused of breaking his campaign promise by not lifting the embargo immediately after taking office. But just what is it he promised the nation's farmers while stumping in wheat country?

Standing under the shade of an apple tree, not far from Des Moines, Reagan announced his policy on the embargo. He told a crowd of about 200 persons that he could have gone along with it "if it was decided that in our national security we should have a general quarantine of the Soviet Union and everyone stop sending and shipping.

"But when the President just employed the grain embargo and everybody else just kept sending things there [Russia]... it was grandstanding for the American people. That's why I am opposed to the grain embargo."

Reagan did not actually oppose the embargo, per se, nor the interference in free trade. His only objection was that the grain farmers were making the sole sacrifice. Despite his image as an advocate of free enterprise, he would impose an embargo if he felt that the nebulous goal of "national security" would be served.

"National security" and "foreign policy" are the pretexts with which politicians usually justify embargoes. The Export Control Act of 1949, reflecting a belief that all trade with communist countries breached national security, banned the sale of any product or process that contributed to the Soviet Union's economic or military might. Few products could escape that definition.

Throughout the 1950s and 1960s, policy makers generally supported such bans, although the Johnson administration liberalized commerce somewhat during the 1960s. It was not until the Nixon-Kissinger years that the United States embarked on its present practice of using international trade as a major foreign policy weapon. The Export Administration Act, signed by Nixon in 1969 and extended by Carter in 1979, provides three grounds for denying export licenses to American businesses: to restrict the export of products that have a potential for military use, to achieve foreign policy goals, and "to protect the domestic economy from the excessive drain of scarce materials." The prevailing attitude in the Nixon administration was that "given Soviet needs, expanding trade without a policy quid pro quo is a gift." At least one policymaker has termed this the "carrot and stick" theory of trade. You bribe them with carrots, such as hard currency credits and most favored nation status, and hit them with sticks, such as embargoes, to get cooperation.

Henry Kissinger reminisces: "Our policy was to use trade

concessions as a policy instrument, withholding them when Soviet conduct was adventurous, and granting them in measured doses when the Soviets behaved cooperatively"—the linkage policy.

The policy not only linked trade with Soviet foreign policy, but later, with Soviet domestic policy, as well. In 1973, the USSR allowed 35,000 Jews to emigrate, while receiving \$469 million in U. S. government credits and eagerly anticipating most-favored-nation trade status. In 1975, Congress passed the Jackson-Vanik Amendment and the policy of tying exports to a foreign country's domestic policy became law. That legislation prohibits trade credits or loan guarantees to any non-market country that denies its citizens the right to emigrate.

Carter carried this brand of interventionism a step further with his fuzzy "human rights policy," a policy that denied exports to some nations that violated human rights, rewarded others, and irked both our allies and adversaries, who couldn't really figure out what our policy was. It also irked U. S. exporters. Thomas A. Christiansen, a representative of the American Electronics Association, said, "Business has frequently seen this use of controls as highly subjective, erratic, and even capricious."

Then the Soviets invaded Afghanistan and Carter exasperated exporters further by slapping on the embargo against grain and technology sales, two areas in which U. S. businesses are most competitive on world markets. The embargo would have ended automatically on January 4, 1981, one year after its inception, had Carter not justified it on national security as well as foreign policy grounds. Lifting a national security embargo requires a presidential order.

The national security embargo

Although few people, even in Washington, believed that U. S. security was threatened by the invasion of Afghanistan, a country that had been in the Soviet orbit for years, policymakers agree almost unanimously that national security is a valid reason for banning exports that have a potential military use.

"... The Soviets have obtained too many of the national-security-sensitive technologies that have provided the U. S. with a margin of military safety," says Republican Jake Garn of Utah, a Senate hawk. Garn introduced a bill before the 96th Congress that would have set up an Office of Strategic Trade, further tightening controls on technological transfer. (The bill — H-513 — has been reintroduced in the current Congress by Robert A. Roe, a New Jersey Democrat.)

Questions of economic freedom aside, there are several problems associated with controlling exchanges of military technology. The first is, who decides what products will be banned? This isn't as simple as it sounds. Currently, the responsibility is divided between the Departments of Commerce and Defense. For the past 30 years, Defense has accused Commerce — which is responsible for promoting exports — of being too lax in allowing high-technology exports. On the other hand, exporters often feel that the Commerce Department is too strict. Even the labor lobby wants a say-so in the matter, arguing that the export of certain capital-intensive technologies may eventually harm the U. S. labor force by creating competitors for U. S. businesses throughout the world. So those exports, too, should be banned.

Second, how will a strategic good be defined? During the dark, cold war days of the 1950s, everything was a strategic

good. Khrushchev himself said that the United States should embargo buttons, because they are used to hold up the Soviet soldiers' pants.

And the passage of time has not done much to modify such a catch-all view. Under Carter's human rights policy, *The New York Times* of October 7, 1979, reported that "the Administration embargoed shipment to South Africa of anything that could be used in any way by the military or police. That stopped sales of a tire factory, medical equipment, parts for civilian aircraft, and even a hunting shotgun to an individual."

Even if military goods could be identified, that doesn't mean that they will be adapted to the Soviet war machine. In fact, there are almost no militarily significant technologies that do not also have some important peacetime uses. Should the sale of dual-purpose technologies, such as some computer software, for example, be banned on the outside chance that it will be used for military purposes?

Third, which nations will be included in the ban and which nations will not? If we allow the sale of a critical technology to a company in West Germany, France, or Japan, what's to prevent it from simply transshipping the product to the Soviets?

There are innumerable holes, both legitimate and illegitimate, through which embargoed goods find their way to buyers. Even Senator Jake Garn, a strong proponent of embargoes, admits that "it is well-documented that technology which the Soviets cannot develop will be bought from the West, and technology which the Soviets can't buy will be stolen." Those countries that have suffered American embargoes have found numerous ways of circumventing the sanctions. For example, in February 1981, the State Department reported that it uncovered a series of dummy corporations, set up by a Cuban diplomat, through which his country could buy American-made goods illegally. That's common practice for the East European bloc countries, too. Trade shows, commercial literature, technical journals, and fake factory visits are all methods that the communist world has used to obtain data denied to it on the free market.

Usually however, such ploys are unnecessary. The goods and knowhow are often readily available from our free-world competitors, notably the West Germans and Japanese. Even petty dictators like Muammar Qaddafi of Libya have enormous resources at their disposal and can go elsewhere for whatever we won't sell them. Recently, the Orbital Transport and Raketen Company (OTRAG), a West German firm, agreed to sell missiles capable of carrying nuclear warheads to Libya. According to Senator Alan Cranston (D-Cal.), Libya is offering \$1 billion on the black market to anyone who will sell it a nuclear weapon. Iraq, too, says Cranston, is close to having an atomic weapon, developed with the assistance of France and Italy. Like marijuana, laetrile, or any other product that the government restricts, sophisticated weaponry is always available to those who will pay the price.

In the unlikely event that a product or process is unavailable on the black market, the foreign power could just concentrate its resources on developing the good on its own. This is especially true of the non-market countries, which can shift priorities with the stroke of a dictator's pen. For example, during the 1950s the Western world embargoed the sale of industrial diamonds to the Soviet Union. This stimulated Soviet research in high-pressure physics and spurred development of a strong synthetic diamond industry. By 1975, natural and synthetic diamonds had become



On January 4, 1980, President Carter banned sales of grain and technology to the Soviet Union.

the Soviet Union's third largest hard-currency export.

Just as an embargo rarely stems the flow of goods and information, seldom will it bring about a significant change in the target country's policies. "Not even small, landlocked, politically-ostracized Rhodesia crumbled under the British-American trade boycott of its regime," writes Senator Charles E. Grassley (R-Iowa), in the *Christian Science Monitor* (October 14, 1980). "In fact, the embattled minority government somehow managed to increase its productivity until overwhelmed by internal guerilla warfare — not by external economic pressure," he says.

Russia, however, is the only country that can destroy the United States, and it is against that nation, and its allies, that trade restrictions are most often and most stringently applied. Russia itself, of course, has a large labor force and abundant natural resources, including gold and oil. It, therefore, is mostly self-sufficient. In 1978, the last year for which figures are available, the Soviet Union's trade with the West was only an estimated 1.4 percent of the country's Gross National Product.

And because the Soviets funnel so much of their resources into the military system, Soviet technology, particularly its military technology, equals, and sometimes even surpasses, that of the non-communist world.

Indeed, the Soviets sell patents, knowhow, and computer software to Kaiser Aluminum, Mitsubishi, DuPont, and hundreds of other free-world companies. With such military might, technological development, and economic self-sufficiency, any embargo, either agricultural or technological, will have little impact on Kremlin policymakers.

Even in the unlikely event that the free world could agree to a total ban on trade with the Soviets and prevent black-market machinations, it certainly wouldn't topple the Soviet government. Indeed, just the opposite may occur; a much stronger central government could emerge. Speculating on the possible effects of a total embargo by the West, Giovanni Agnelli, Chairman of the Board of Fiat, a company with extensive dealings with the Soviets, writes:

I am concerned that a result might be... not only a cooling off of official relations and a tendency to return to an irrevocable cold war mentality on both sides, but within the Soviet economy, a belt-tightening and partial return to the Stalinist era, justified to the Russian people by the demonstrated hostility of the West. [*Foreign Affairs*, Summer, 1980]

Likewise, an embargo against the Soviet Union's satellites could also strengthen the Moscow government. Agnelli continues, saying that Eastern Europe's "reliance on trade and detente relations with the West is frequently linked with their aspirations for greater autonomy from the U.S.S.R."

Cuba exemplifies the veracity of this statement. Since Castro took over in 1959, the United States has banned all exports to the country, except medical supplies. Partially because of that policy, the island remained one of the world's most repressive dictatorships, needing the largess of the Soviet Union to stay afloat.

On the other hand, since 1971, when the United States dropped its total embargo against China, that nation has gradually modified its internal policies as well as its antagonism towards the West. Clearly, it is free trade, and not the embargo, that will promote peace throughout the world.

Assuming that American presidential administrations also support those objectives, then why do they persist in using the embargo, despite its poor performance in exacting political concessions? The answer: it's mainly for cosmetic effect. Carter, for example, needed a quick, election-year facelift to bolster his sagging image vis-a-vis the Soviets, so he slapped on the grain embargo. He certainly couldn't have thought the action would force a Soviet withdrawal from Afghanistan. It was merely a symbolic gesture, intended for both domestic and international consumption. It made good press... for awhile. Despite the political damage the embargo eventually caused him, ending it would have made Carter appear weak and indecisive and given the Soviets a significant propaganda victory. So embargoes are embarked upon and extended far beyond their useful life for the same reason: appearances.

Unfortunately, the new administration also thinks it needs a hard-liner image. It has indicated that all its dealings with Moscow, including trade, will be linked to the Kremlin's foreign policy. Indeed, the next three-and-a-half years could mean a return to the cold war policies of the 1950s, when the two countries traded insults, and little else. The danger in that policy, of course, is that the insults will become ICBMs.

A rational approach to trade

Although highly unlikely, it's not too late for the Reagan administration to change course, and end the carrot and stick policy of foreign trade. The first step would be to eliminate the stick of interventionism—namely the embargo—and to allow U. S. business to trade with any country that isn't shooting at us.

This might mean that the Soviet Union would have easier access to a few military secrets; secrets that it could have obtained anyway through clandestine operations. But that

doesn't necessarily mean that those secrets will be used to wage war against the United States. Advocates of free trade, in rephrasing Shakespeare's comments on the effect of alcohol on lovemaking, argue that "while U. S. exports may increase an adversary's military performance, they may also diminish its desire for conflict." Indeed, free trade promotes peace by creating an interdependence among nations.

Supporters of the national security embargo often point to the Kama River truck plant, built in Russia with hundreds of millions of dollars' worth of U. S. technology, as an example of our products being used for military purposes. The plant produces numerous military vehicles, some of which were used in the invasion of Afghanistan. However, the factory is not the result of free trade, but was heavily subsidized by U. S. taxpayers.

The best way to prevent the communist world from obtaining our latest technology is not the embargo, but the elimination of foreign trade subsidies. Little trade would occur if the West did not provide the hard currency that communist governments need to buy our products.

This brings up the second step in a rational, non-interventionist trade policy: the elimination of the carrots. Currently, there's a whole array of giveaway programs through which the federal government rewards, teases, baits, and bribes dictatorial regimes of both the left and right. Through the Foreign Credit Insurance Association the federal government helps underwrite both commercial and political risks for American-based businesses that are selling abroad. Through the Commodity Credit Corporation and the Export-Import Bank of the United States, the country offers billions of dollars in loan guarantees and hard-currency credits to many of the world's financially hard-pressed totalitarian regimes.

In October, 1980, for example, the Carter administration approved \$670 million in loan guarantees to Poland, a country on the brink of bankruptcy. To be used for purchasing American farm products during 1980-81, it was the largest amount of agricultural commodity financing ever offered to a single country. Should the Polish government default—as it almost did last March, when it couldn't find the hard currency to pay its creditors and a team of international bankers had to restructure its debts—U. S. taxpayers will foot the bill.

The danger in these kinds of policies is not only that the Soviets may see them as interventions into their allies' affairs, but that the subsidies will make large sectors of the American economy dependent on tax-supported trade with communist governments.

Eastern European governments alone owe the West over \$66 billion, more than half of which is financed by government credits. A large-scale default could precipitate an international financial crisis.

Current U. S. trade policy is a shambles of contradictions. With one hand the U. S. government rattles sabres and threatens communist regimes; with the other it picks the pocket of U. S. taxpayers, and, after taking its administrative cut, doles it out to our philosophic enemies and the American businesses that trade with those enemies. The carrot and stick policy of foreign trade, along with the subsidies, embargoes, and other vehicles used to carry out that policy, is a danger to international economic stability and world peace. It should be relegated to the same place in history as containment policy, the domino theory, and other relics of cold-war interventionism. □

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THE AUTO INVASION

US vs. THEM

ANDREW POPPER/PICTURE GROUP



SHELDON RICHMAN

For most of his recent political career, Ronald Reagan has promised to "get the government off the backs of the American people." He has extolled the virtues of the free-enterprise system and worldwide free trade. Nevertheless, in the middle of his presidential campaign, at a stop in Detroit, he said, "Japan is part of the [domestic auto

industry] problem. This is a place where government can be legitimately involved. That is, to convince the Japanese in *one way or another* that in their own best interest, that *influx* of their cars into the United States must be slowed while our industry gets back on its feet. ... If Japan keeps on doing everything that it's doing... obviously there's going to be what you call protectionism." (Emphasis added)

Campaign rhetoric or abandoned principles? Didn't free-trader Reagan know that products are imported only because Americans want them and so cannot be a problem? And didn't he realize that, as Henry George wrote 95 years ago, "[T]rade, from which 'protection' essays to preserve and defend us, is not, like flood, earthquake, or tornado, something that comes without human agency"? At this writing, Reagan's first four months in office provided a discouraging answer to these questions, with the resolution of the auto-import episode by the Japanese firms. While Reagan maintains that he believes in free trade, cabinet officials wink their eyes and say that the Japanese know the score: They won't have to be *told* to limit auto exports to the U.S.; they'll do it "voluntarily." And ominous warnings of a world trade-war flap in the wind.

The Japanese were certainly in a tough spot. While some



Japan's Foreign Minister Ito and Secretary of State Alexander Haig at a press conference after a meeting to discuss the Japanese import situation.

200,000 American auto workers are unemployed and many domestic plants have closed, Japanese imports hold 23 percent of the U.S. market, 1.9 million cars in 1980. As the Japanese share of the market has grown, the voices calling for limits have gotten louder. They seem to have prevailed, thanks to acts of commission and omission by Reagan.

To be sure, he inherited the issue from Jimmy Carter. Like so many other problems, this was more fruit from the energy-crisis tree, a tree planted and nurtured by Washington. It may be hard to believe, but in January, 1979, shortly before the Iranian crisis, 850,000 Japanese cars sat unsold on U.S. docks. Then long gas lines, the product of federal price and allocation controls on oil and gasoline, convinced many Americans that small, fuel-efficient cars were the order of the day. The Japanese were ready; the American firms were not. (See William Tucker's "The Wreck of the Auto Industry," *Harper's*, November 1980.) Within two years, small cars accounted for 55 percent of the American market, up from 44 percent. As *Forbes* reported in an article on April 13, imports hold 26 percent of the market, with the Japanese taking 80 percent of that.

This quick surge in Japanese success prompted new pressure for protectionism. Chrysler, already on the dole, cried for more help. General Motors spoke mealy-mouthed about the need for Japanese restraint. Then Ford Motor Co. and the United Auto Workers (UAW) asked the U.S. International Trade Commission to recommend quotas or higher tariffs on grounds that the industry was "injured" by imports. In November, 1980, after the election, the ITC rejected the argument and denied the petition. The vote, though, was ominous: Two Democrats and an independent voted against protectionism; two Republicans voted for it.

A last ditch attempt by the lame-duck Congress to get Carter to negotiate limits with the Japanese failed, but outgoing Transportation Secretary Neil E. Goldschmidt left behind a recommendation that import restrictions be imposed in return for wage concessions by the UAW. As the government changed hands on January 20, no one was sure where the auto issue was headed.



The ax above the Japanese: Senators Jack C. Danforth (R-Mo) (left) and Lloyd Bentsen (D-Tx) introduced a bill in February that would limit Japanese car imports to 1.6 million a year.

If the Japanese have a comparative advantage in automaking, then American workers should find this out and move into other lines.

As the Reagan administration got rolling, its signals were emitted in contradictory bursts. Reagan said he opposed legislated quotas, when Senators John Danforth (R-Mo.) and Lloyd Bentsen (D-Tex.) introduced a bill to limit Japanese imports to 1.6 million cars for each of three years. (The bill was not originally intended for passage, but to induce negotiations.)

If the administration opposed quotas, what did it favor? That, we soon learned, was being thrashed out in brawling cabinet meetings between a group of free traders (dubbed "purists" by the press) and "soft" protectionists (dubbed "pragmatists" by the press). I call them "soft" protectionists because, in lieu of legislated quotas, they seek "voluntary" restraint by the Japanese, a euphemism for under-the-table protectionism.

The free traders include Budget Director David Stockman, Treasury Secretary Donald Regan, Secretary of State Alexander Haig, Chairman Murray Weidenbaum of the Council of Economic Advisers, and a group of informal economic advisers led by Milton Friedman. The soft protectionists include Transportation Secretary Drew Lewis, Commerce Secretary Malcolm Baldrige, and Labor Secretary Ray Donovan. Special Trade Representative Bill Brock stands in the middle seeking a compromise.

The cabinet protectionists have been vigorous in their public efforts. Lewis has dangled negotiated restraints in front of both industry and union as a reward for capital-investment and wage concessions. As he puts it, "Everybody has to bring something to the table." His attempt to further inject government into such matters, wrote economics professor Melvyn Krauss in *The Wall Street Journal*, "smacks of Mussolini's corporate state."

And as tempers heated up, curious claims to expertise were invoked. Baldrige dismissed the free-trade position as originating in "academia," and said, "Secretary Lewis and I are the businessmen in the Cabinet; we know what it's like to trade with the Japanese." He and Lewis would prohibit at least 300,000 other Americans from finding out.

The fight in the cabinet was also manifest in a dispute over who would lead any negotiations with the Japanese: Secretary of State Haig or Trade Representative Brock? Haig tried to pull rank, but Brock won out, the first of two setbacks for Haig in a short span. (Haig would soon place second to Vice President Bush as head of crisis management.)

The Haig-Brock feud was important. Haig is with the free traders, not so much out of philosophical agreement, but out of a desire to keep on the good side of a major ally in the Far East. As one government source explains, to Haig, auto



"FANTASTIC, SIMPSON... THAT DESIGN OUGHT TO HELP US FIGHT THE TREND TOWARD IMPORTED CARS!"

Import protection will not help American auto-makers to meet the competition, but will allow them to delay adjusting to market conditions.

imports are but one bargaining chip that could be given up for increased Japanese military spending. But to Brock, autos are a major trade issue. The conflict in emphasis made the selection of a negotiator a large matter indeed.

Things were complicated still more by the cross-signals coming out of Japan: The Japanese were having a feud of their own. First, the auto firms — Japan has nine auto exporters — dislike the prospect of limits. This is especially true of the newer, small firms — Honda, Subaru, and Mazda — which are vigorously completing with the veterans Toyota and Nissan (Datsun). The firms also fear antitrust violations if they carve up the U.S. market to implement quotas. Second, two branches of the Japanese government were arguing over which would have charge of the matter. This was resolved when the Ministry of External Economic Affairs was given control and the Ministry of International Trade and Industry (MITI) was given a subordinate role.

MITI has angled for the lead. It is reportedly eager for “an orderly marketing agreement” with the U.S. as a way to extend its control over the Japanese auto industry. MITI

since the 1950s has sought to establish an auto cartel of perhaps two firms. But “unruly” auto entrepreneurs have refused to go along. Today, Japan has 11 fiercely competitive automakers, nine of which export.

Since these battles have been resolved, the U.S. and Japanese governments have engaged in a strange, ritualized dance. The Reagan administration refuses to ask the Japanese explicitly to hold back their exports for fear of sullyng its free-trade image. But the Japanese leaders refuse to make any offers until the U.S. asks them to. A source close to the Japanese manufacturers says the Japanese government fears that any limit it names will be dismissed as too high, an embarrassment it wants to avoid.

The bizarre nature of this dance, in which neither side wants to lead, was illustrated in March when Japanese Foreign Minister Masayoshi Ito visited Washington. Administration officials said they did not ask Japan to limit exports, but that the Japanese understood the problem and would act accordingly. Ito said no request was made and that he could ask no sacrifices of the Japanese automakers when the American government itself was not unified. Ito said he told the administration that restraint would not help Detroit anyway.

The diplomatic tango could not hide what was happening. As *The Washington Post* reported, “In a low-key but clear warning, Reagan told Ito that it would be very difficult for an American president to veto a bill with protectionist features in the present climate of concern about automobile imports.” This refers to the political pressure on Reagan from the union and segments of big business to stop the decline of the auto industry.

That shifted the focus back to Congress, where the Danforth-Bentsen bill is on hold. If the current presidential inaction continues, some Congressmen will get itchy to do something. Sen. Robert Dole (R-Kan.), Senate Finance Chairman, scheduled mark-up on the bill for May 12, one week after Japanese Prime Minister Zenko Suzuki was to visit President Reagan. No one was predicting how Suzuki would answer that unmistakable message.

Meanwhile, the administration unveiled an aid package to relieve the auto industry of 34 safety and emission regulations. This is supposed to save consumers almost \$10 billion by countermanding new mandatory features. While this was being announced, a team of U.S. officials went to Tokyo to “brief” the government on Reagan’s plan to help Detroit (an ominous sign, since no other country was briefed). The officials insisted they had no authority to discuss export restraint, and Vice President Bush said Reagan remains opposed to protection. Just as persistent was the refusal of the Japanese firms to knuckle under to pressure. “There hasn’t been any change in our position,” said a Nissan spokesman. “We will continue to resist [government] pressure to restrain exports.”

This pressure was confirmed in a *Forbes* interview with MITI Vice Minister Naohiro Amaya. Amaya said that despite warnings of a U.S. response, the firms have been



shortsighted in refusing to hold exports back. (A more likely explanation is fear of antitrust suits and the expectation that Japanese sales will fall off as the American firms build more small cars. It has been noted that the Japanese have been slow to produce front-wheel-drive cars, in which American consumers have shown an interest. The domestic firms are building lots of them. Already, Japanese sales have dropped, 20 percent in January, because of slackened demand and high interest rates. But since the rest of the market dropped even more, Japan's *share* has increased.) On May 1, a Japanese offer to cut exports by over 7 percent was announced.

Restrictions on imports will raise the price of all cars (\$450-\$700, if you believe the estimates) and hurt American exporters, because the Japanese cannot buy as much from Americans if they can't sell as much to Americans. Protection will also be a grant of special privilege to the auto firms and the United Auto Workers. When the firms ask for "breathing space," what they really want is a breather, a chance to rest. Granting the request won't help them meet the competition, but rather will allow them to delay adjusting to new market conditions. It is true that much of Detroit's problems is the fault of U.S. government energy, monetary, fiscal, tax, and regulatory policies. The solution, though, is to eliminate the policies, not to restrict the freedom of innocent Americans.

As for the union, whose workers earn about twice the average of other manufacturing workers, its shameful push for protection is aimed at *preventing* the necessary adjustments to new conditions. If the Japanese have a comparative advantage in automaking, then American workers are best served by finding this out and moving into other lines. UAW President Douglas Fraser is not so much concerned with unemployed auto workers as he is with losing union members. He knows well that if the auto market is left free to operate, his union settlements — enforced through federal coercion — would be revealed as outrageously uneconomical. He may be fighting for *his* job, but many of his members are being induced to stay in dead-end jobs or unemployment lines.

Many of the costs of protectionism are unseen. We don't know what would be produced were the capital, labor, and land kept in the auto industry able to seek better uses. But some of the costs are known. For example, Claudia Anderson, a former staff member of the National Academy of Sciences (NAS) accompanied an NAS study team to Japan a year ago as part of a diesel-power project. During meetings with executives of Toyota, Nissan, two other auto manufacturers, and the Japan Automobile Manufacturers Association, development of a 100 mile-per-gallon diesel car was discussed. She was struck by how cautious the executives were when asked if they'd export the car to the United States.

"They didn't feel that they could rationally export to the U.S. because, as one elderly executive put it, 'We don't want to freak out Detroit anymore than we already have,'" Anderson said. In other words, the current threat of import restrictions here is discouraging the Japanese from providing Americans with things they surely would want. That is what happens when politicians erect impediments to trade.

Much of the blame has to go to President Reagan. He has had the power to shut down the push for protectionism. He chose to stay quiet and let the battle rage. The resulting uncertainty and hope for aid has allowed the industry to



Should we buy what America builds, or build what America buys?

miss unforeseen opportunities it would have been alert to had there been no chance of government intervention.

Reagan has also helped pollute the language by encouraging the notion of "voluntary" restraint. Obviously, when the Japanese government decided to limit exports, it did so under an American threat of legislation. Moreover, the consumer, Japanese exporter, and American importer were not asked to volunteer; they were ordered to obey. What are we to make of a President who preaches free enterprise, then asks the Japanese government to regiment an auto industry?

For those who expected Ronald Reagan to reduce the government's role in the economy, this episode must surely be disappointing. Some may admire how he is "finessing" the auto issue. Some may believe he has intentionally stalled, hoping the pressure for protection will dissolve as the auto firms and the economy in general improve. But even if this occurs, Reagan deserves no credit. He has taken no stand. He has taught the American people nothing about free trade and the dangers of protectionism. The next time an industry flounders, it too will blame imports and seek protection. We will be right back where we started.

The protection debate has focused largely on irrelevancies, such as inflation, the "harm" caused by imports, the quality of the cars, projections of future demand, and the location of plants. Hardly anyone — most disgracefully, Reagan included — has mentioned that this is primarily an issue of liberty. How can the United States claim to be a free country, if its citizens cannot perform such a simple act as to buy or sell an automobile without government interference?

Some people, including columnist George Will, are arguing that such restrictions on liberty are unavoidable because (they say) a country cannot unilaterally embark on a free trade policy. But this argument was answered long ago by William Graham Sumner, who pointed out that free trade commands its highest value when only one group practices it. Just as, said Sumner, "if there was one honest man among a lot of cheats, his character and reputation would reach their maximum value." □

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TAXES IN GREAT BRITAIN

BRUCE BARTLETT

After Prime Minister Margaret Thatcher visited the United States earlier this year, a segment of the media began speculating about the economic problems of Great Britain as if they were the inevitable result of any attempt, on the part of any government, to move in the direction of greater economic freedom. But the Conservative government in Great Britain has yet to initiate a true free-market policy or take any serious steps toward rolling back the tide of government which has engulfed the British economy.

In 1776, Adam Smith laid down his four maxims of taxation. The fourth and most important of these stated: "Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treasury. . . . First the levying of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people. Secondly, it may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give main-

tenance and employment to great multitudes. While it obliges the people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so."

Unfortunately, Smith's own country, the United Kingdom, has been one of the worst violators of his maxims, raising taxes to where they clearly "obstruct the industry of the people."

In Britain, as almost everywhere, the greatest growth of government in this century took place during World War I. But whereas postwar spending and tax rates were reduced markedly in the United States under the leadership of President Calvin Coolidge and Treasury Secretary Andrew Mellon, in the United Kingdom they never came down. Indeed, they continued to grow. In 1913 the government's share of national income in Great Britain was 15 percent. It rose to 28 percent in 1932 and to over 30 percent in 1938. Then World War II came along, causing another huge boost in government spending and taxation. By 1942 the basic rate of taxation was 50 percent, with surtaxes imposed on incomes above £2,000 (about 10,000), which took the tax rate up to 99 percent. Again, peace brought no reduction in rates. In 1950-51 a married couple with two children and no unearned income paid income and surtaxes at the following rates:

<i>Income</i>	<i>Effective Tax Rate</i>
£1,000	16.8 percent
2,000	26.4
4,000	42.9
5,000	47.8
10,000	63.2
20,000	77.9
50,000	89.7
100,000	93.6

"The tax situation would have been bad enough had income and surtax been all," wrote C. Northcote Parkinson, "but to these had been added a variety of other taxes, direct and indirect. There was the purchase tax, the national health and insurance contributions and the greatly increased local rates. Tax had been piled on tax; and one result of death duties (amounting to £2,000 million between 1945 and 1957) was so to lessen the number of the rich that the tax burden had increasingly to fall on the poor." Thus, from 1938 to 1949 total taxes on incomes above £1000 increased 171 percent, total taxes on incomes below £1000 increased 615 percent.

Throughout the fifties, sixties, and seventies, through both Labor and Conservative governments, the high tax rates remained essentially intact. Between 1949 and 1973 the *pre-tax* incomes of the top one percent of British households had been cut in half. But the poor did not benefit. In 1949 the lower half of British income classes had 23.7 percent of the pretax income and 24 percent in 1973.

By the mid-1970s the view was widespread that high tax rates were doing the country a great deal of harm. In 1977 it was estimated that as many as 100,000 British executives, middle managers, and entrepreneurs had left Britain during the previous three years, largely because of high taxes. Prominent tax exiles included most important British rock singers, among them the Rolling Stones, Rod Stewart, Led Zeppelin, and the Electric Light Orchestra; many of Britain's greatest actors, including Michael Caine, Richard Burton, David Niven, Sean Connery, Peter Sellers, and Peter Ustinov; Nobel Prize-winning scientists Dr. Francis Crick and Dr. Max Perutz; and bestselling authors Len Deighton and Frederick Forsythe. As Forsythe commented: "It is an automatic assumption [in Britain] that any man who has



Although Prime Minister Margaret Thatcher was welcomed with a flourish of trumpets when she visited the White House in late February, presidential aides cautioned against identifying the Reagan budget plan with Thatcher's policies.

made money has done it by swindling or speculating. . . . In fact, of course, most have done it by sheer hard work, coupled with talent, energy, drive and determination." The revenue loss from tax exiles in 1976 was estimated to be one billion pounds. (In 1978 Sir Geoffrey Howe pleaded for a reduction in high tax rates to keep such people in Britain. The Labor Party backbenchers in Parliament replied by charging such tax exiles with treason.)

A quarter of British business managers surveyed in 1977 said it was not worth accepting a promotion because of the effect of taxes on pay increase. Half of those surveyed considered that lack of financial reward was causing managers to be less efficient in their jobs. And 15 percent admitted they were working less hard than they used to. The result is that British managers, doctors, and other professionals are paid far less than those in the United States. The chairman of Barclays Bank, the nation's largest, with more than \$40 billion in assets, was paid only \$110,000 in 1978, of which he kept about \$31,000. Sir Derek Ezra, chairman of the National Coal Board, a firm with 250,000 employees, has said he would have been better off managing a single mine in West Germany.

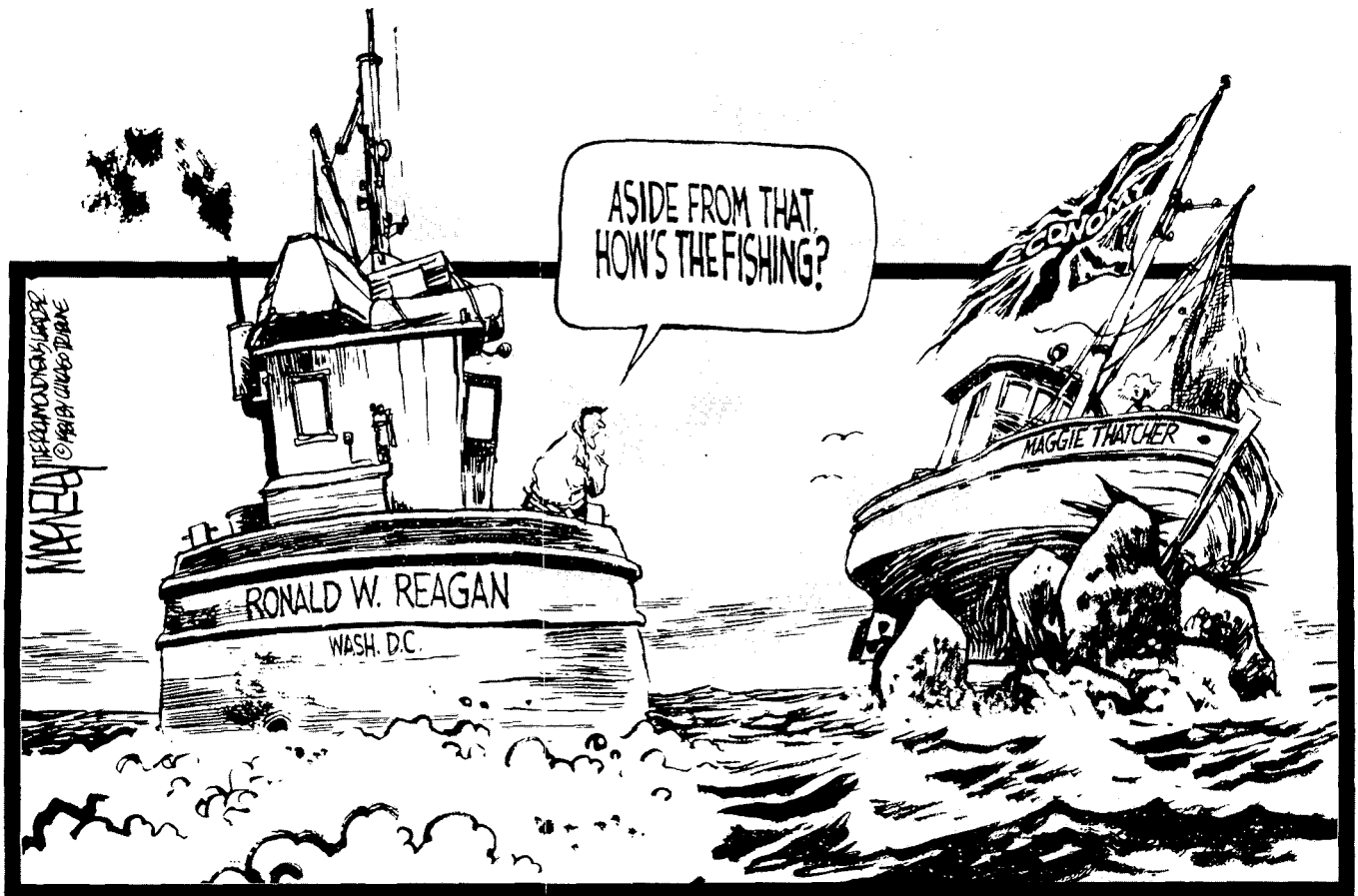
Thus, the high tax rates not only deny people after-tax rewards, they actually discourage people from asking for high salaries in the first place. Consequently, the British government has lost enormous revenues it would have obtained had its tax rates been lower. Typical is the attitude of

Andrew Knight, editor of *The Economist*, writing in the *New York Times*:

Just for the record, I am being paid a pittance by *The New York Times* for this article. Why did I not chisel *The Times* for more? Because 83 percent of the money will already go in taxes to pay for other people's false teeth and spectacles, so why bother? I refuse all freelance, including lucrative television work, for the same reason.

Of course, Englishmen have not meekly accepted the situation. They have devised numerous methods for increasing their de facto income in nontaxable ways. British executives receive enormous "perks," which give them the benefits of a high income without paying taxes on it. In Britain, for example, managers are almost always supplied with an automobile by their companies for personal use. As many as half of all cars sold in the UK were sold to companies in recent years. In addition, most British executives get their business suits paid for by the company; wives routinely go along on business trips; children may receive scholarships; and some companies even supply their executives with new homes, stereos, and antiques to furnish them. Lower-level employees have their perks as well, ranging from free coal for coal miners to cut-rate loans and mortgages for bank employees. And, of course, there is an enormous amount of expense-account eating at Britain's best restaurants.

All of this may mute the effects of Britain's high tax rates, 27



but it deprives people of the freedom to spend their income as they please. There is still no substitute for disposable income. This is why tax cheating is more pervasive in Great Britain than in the United States, despite the fact that the British employ more tax agents than the Internal Revenue Service does, to handle one-fourth the number of tax returns. There is a thriving "subterranean economy" in Great Britain, just as in the United States, with laborers working "off the books" and others "fiddling" their income as best they can.

Unfortunately, this concern over the effects of high tax rates coincided with rising inflation in Great Britain. Between 1973 and 1978 prices in Britain more than doubled. This crisis led even the Keynesians leading the ruling Labor Party to try to cut back on the growth of government expenditures. But it also forestalled any effort to reduce taxes. As Prime Minister James Callaghan told the British Labor Party conference on September 28, 1976:

We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and raising government spending. I tell you, in all candor, that that option no longer exists, and that it only worked on each occasion since the war by injecting bigger doses of inflation into the economy, followed by higher levels of unemployment as the next step. And we have just escaped from the highest rate of inflation this country has known. We have not yet escaped from the consequences of high unemployment.

Although both Callaghan of the Labor Party and Edward Heath of the Conservative Party tried wage and price controls during the 1970s to battle the inflation which engulfed Britain, they did not succeed because they did not get at the root of the problem, which was an excessive increase in the quantity of money. The result was that inflation continued, pushing people up into higher tax brackets, exacerbating the inflation by still further reducing the incentive to work and produce. This effect has been described by the *Sunday Times* of London as follows:

Since 1974, inflation has brought hundreds of thousands of the low paid into the income tax net. Many pay taxes at the same time as they are entitled to draw Social Security benefits. As we move up the scale, few of those grossing above-average wages, salaries or earnings have kept up with inflation. But they still pay more tax because the income bands for higher rate tax have hardly moved while prices have nearly doubled. Even the lucky few whose incomes have kept up with prices still find themselves worse off due to taxation.

Just as the poor now pay taxes that were never intended, so managers, professionals and small businessmen now find themselves—quite unintentionally—treated as plutocrats whose pay should be confiscated as much for the sake of social justice as raising revenue. Those who were well off in 1974 now face 83 percent top rates on earned income or 98 percent on profits from a business at ridiculously low levels in relation to any comparable country. The rich employ accountants, lawyers and insurance brokers to avoid tax legally—or if they cannot, flee the country to become unwilling tax exiles. The poor moonlight for cash on the side to evade tax illegally—or, if they are honest, just suffer.

By 1979 the economic situation had become so bad the British people threw the Labor Party out and put the Conservative Party back in power. However, the Conservatives were no longer led by the moderate Edward Heath, who had led the Conservatives to defeat in 1974, but by Margaret Thatcher, who campaigned strongly on the promise to cut tax rates across the board and stop inflation by controlling the money supply. In winning a substantial majority in Parliament on May 3, 1979, the Conservatives even managed to attract union votes, the backbone of the Labor Party.

On June 12, 1979, Thatcher came through on her promise to radically alter British economic policy, by proposing a budget with substantial income tax cuts. "Excessive rates of income tax bear a heavy responsibility for the lackluster performance of the British economy," Sir Geoffrey Howe, chancellor of the exchequer, told the House of Commons. "We have to compete in attracting and retaining the talent required to run our industry efficiently and profitably."

Former Prime Minister Callaghan called the budget "a reckless gamble with our economic future," producing "dire industrial consequences."

Unfortunately, at the same time the Conservatives cut income tax rates they raised the value-added tax from 8 percent on some goods and 12 percent on others to 15 percent on everything except food, heating, light, public transportation, children's clothes, and medicine. This was done to recapture the revenue lost through the income tax cuts. But the effect was to raise the effective rate of taxation for many British workers. For this reason, Mrs. Thatcher's budget came under heavy attack from Arthur Laffer:

The Thatcher budget lowers tax rates where they have little economic consequence and raises tax rates where they affect economic activity directly. The result is a substantial increase in the effective rate of taxation in the UK. . . . Mrs. Thatcher's tax restructuring has lowered direct taxation but has taken even more away through indirect taxation. . . . A consumption tax of the UK variety is just as damaging to private incentives as is the equivalent income tax. The objective of work and savings is ultimately consumption. Irrespective of the stage at which the resources are obtained, people supply capital and effort to acquire net purchasing power.

For this reason, Laffer said, people should not associate the Thatcher government with a resurgence of classical incentive economics. "As it turns out, nothing could be further from the truth," Laffer says.

The Laffer argument was rebutted by Dr. Norman Ture, another economist associated with supply-side economics. Ture said that Laffer was ignoring his own theories by concerning himself with effective (average) tax rates, when it is the marginal tax rate (the tax on each additional dollar earned) which counts. And the Thatcher budget clearly cut marginal tax rates.

Despite important cuts in marginal tax rates, however, the British economy has continued to languish. The Thatcher government responds to criticism about its economic performance by saying that things could not be expected to turn around overnight. "We did not promise you instant sunshine," Mrs. Thatcher has said. "We pointed out over and over again that a nation cannot accelerate downhill for years and then jam the brakes on and suddenly return to prosperity, as though the past had never happened. We had to start by slowing down before turning around and trying the long, slow climb up the hill to recovery."

This may be true, but it is also true that the Thatcher government raised taxes its first year, thus negating most of its tax cuts, and again in its second year, by raising the lowest marginal rate from 25 percent to 30 percent, increasing sales taxes on liquor, cigarettes, and gasoline, and increasing taxes on North Sea oil production. Thus, although there has been a substantial shift in the composition of the British tax structure, making it less progressive, there has yet to be an overall reduction in the tax burden.

In addition, although there has been much talk about monetarism and controlling the money supply, the quantity of money continues to grow at a rate faster than the real growth of the economy. This is partly due to the fact that government spending has yet to be cut significantly. As *The Economist* recently noted, "Ministers have reverted quickly to departmental type: it is no fun being a minister for the arts and jeered at by actors, a health minister abused by doctors, a social services minister telling the disabled they must suffer along with the rest of Britain from its new poverty."

Moreover, the power of the labor unions remains unchecked. Many have argued that the rest of Britain's economic problems are trivial compared to those caused by

excessive labor union power. Although Mrs. Thatcher made early promises to end secondary boycotts and other union pressure tactics, she has yet to move on this front.

It may be that all these things will be taken care of in time. The problem is that many people in the United States and elsewhere are closely watching the British experiment and their actions will depend on the outcome of it. "What happens here in Britain will have a very important influence in the U.S.," Milton Friedman recently said during a visit to the UK. "If Thatcher succeeds, it will be very encouraging. It is a fascinating experiment, and a good deal depends on it."

And Milton Friedman is not alone in assuming that Thatcher's is a free market policy. On a recent trip to London, I was struck by the widespread belief that Thatcher had in fact made a serious effort to free the British economy from government control, but was overwhelmed by the economy's downward momentum and events beyond her control. It was also believed that President Reagan's economic program would meet a similar fate. And, as I pointed out at the beginning of this article, a number of American commentators have picked up on this point as well, arguing that the Reagan plan won't work because the Thatcher plan didn't.

It is true that the Thatcher plan hasn't been working. Except for a significant decline in inflation rate, the British economy is probably worse off in almost every way than it was in May 1979, when Thatcher took office. But this is due more to a failure to understand and apply a free market philosophy than to a failure of that philosophy. If the Reagan administration is able to implement meaningful tax cuts as well as spending cuts, the Reagan program will, I believe, produce positive results where Thatcher failed.

Unfortunately, Thatcher has recently moved even further away from the free market by imposing an enormous tax increase on the British people in her 1981-82 budget, announced in March. The tax increase, including cancellation of tax-indexing and imposition of numerous new taxes on gasoline, tobacco, and liquor, will increase the tax burden by £3.5 billion this year (about \$8 billion in an economy one-eighth the size of the U.S.). There is no overall reduction in public sector spending, and subsidies for nationalized industries will actually increase.

When I asked Sir Keith Joseph, a senior member of Margaret Thatcher's cabinet and her intellectual mentor, how he could explain the apparent failure of the tax cuts that were enacted to have any noticeable effect on the economy, he replied, in effect, that when Thatcher took office the economy was already too far gone for it to do any good. He argued that years of socialism had destroyed England's entrepreneurial class and that the best the Conservatives could really hope to do is slow the downward decline while, hopefully, planting some entrepreneurial seeds which might take root in the future. In short, Thatcher and the Conservatives have lost faith in their own policies; i.e., those they were elected on.

The ultimate lesson of the recent British experience may be the importance of having a radical vision, one that is strong enough to weather the inevitable political and economic storms that will arise when one attempts to roll back the tide of government. It also indicates that good intentions are no substitute for a proper understanding of economic principles. □

Bruce Bartlett is an associate editor of *LR* and the Deputy Director of the Joint Economic Committee of the U.S. Congress. This article is adapted from his book, *Reaganomics: Supply Side Economics in Action*, published by Arlington House.

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ROY A. CHILDS, JR.

A new consensus is forming in America to support the reconstruction of an ideolog-

EL SALVADOR

ically-based, hard-line, anti-communist Cold War foreign policy. Intellectuals and policy makers from virtually every part of the political spectrum have come together to advocate increased defense budgets, support for American "allies," interventionism in the Third World, and a host of proposals to stop what they see as ubiquitous Soviet expansionism.

They have created El Salvador as their symbol — an example of a tiny country, ruled by an autocratic but not totalitarian junta, under seige from Soviet and Cuban-backed guerrillas, desperately trying to reform its own domestic political and economic system while fighting off the totalitarian communist onslaught.

They need this coherent symbol, for the original outcry about El Salvador has begun to fade. According to the *Washington Post*, White House mail is running ten to one against the Reagan policies. The apparent necessity for reining in Secretary of State Alexander Haig at least temporarily muted the most strident voice to speak out on the Salvadoran crisis. And even hard-liners in the Senate, according to the *Washington Post*, are beginning to find the "rich Penta-

The Myth of Progressive Reform

gon diet difficult to swallow," and are becoming leery of committing the country to spend a staggering \$1.5 trillion on defense over the next few years.

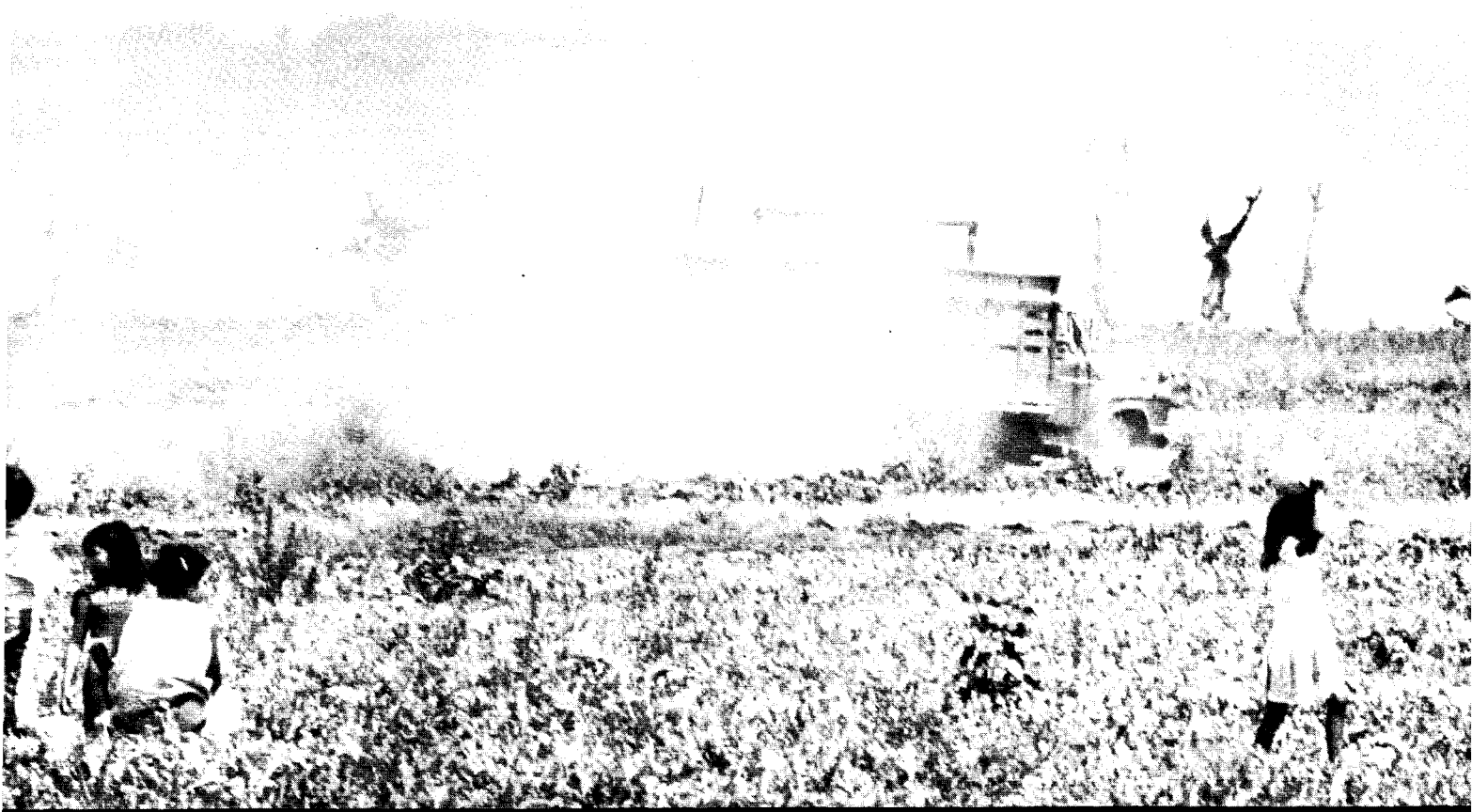
The essential Reagan policies toward El Salvador, however, have not changed — but the rationale for them is beginning to shift. What began as "a textbook case of a communist plot" has become a small beleaguered country struggling to institute progressive reforms while taming domestic violence.

Making the case most forcefully was Napoleon Duarte, president of the Salvadoran junta, himself. Last March, on an interview on Miami radio, Duarte said:

[My] government's revolutionary program is much more *profundo* [profound or far-reaching] than those presented by the DRU and the FDR themselves... or by the Communist Party's Democratic Revolutionary Front, the MNR, or any leftist party here. Our revolutionary process has shattered all the models not only advocated here but in all Latin America. For example, there's not a single country in Latin America where all the foreign commerce and the banking system have been totally nationalized, as in ours. Nor is there a single other country in Latin America, and that includes Cuba, where the wealth that is the land has been given directly to the peasants....

On the liberal side, Penn Kemble, a founder of the Coalition for a Democratic Majority, wrote in *The New Republic* that El Salvador is a test, not only of the Reagan foreign policy, but for American liberals. He said,

PETER MORGAN/PICTURE GROUP



For American liberals, the test is whether they have the intellectual integrity to support in practice the kind of reforms they advocate in rhetoric and in theory, or whether they still are so mesmerized by the Vietnam experience that they will automatically shrink from any difficult foreign involvement, even if that means that the totalitarian left will triumph.

During the past year, a sweeping land reform program has begun in El Salvador, conceived and carried out by the governing civilian/military junta with energetic assistance from a group of American trade unionists and agrarian experts.... ["The Liberal Test in El Salvador," March 14, 1981]

Not to be outdone were a group of neoconservatives and social democrats, The Committee for the Free World, under the directorship of Midge Decter, which published a full page ad in *The New York Times* on April 4. "We—a group of intellectual and religious leaders—applaud American policy in El Salvador," the advertisement stated. It took the State Department line on the "communist plot," and went on to assail those "non-Communist apologists for the guerrillas" who claim that "the war in El Salvador is caused by intolerable local conditions and not by outside intervention. Yet the government in El Salvador," it continued, "backed and encouraged by the United States, has been working to improve those conditions. It has inaugurated a program of land reform so extensive that the extreme Right has turned against it with as much murderous vehemence as the extreme Left." The ad goes on to inform us that "it is the government of El Salvador that today represents progressive change," and closes with a flourish: "We applaud the determination of the United States government to assist the government of El Salvador which is working, against armed opposition, to build a more stable and equitable society and thereby add to the sum of freedom in the world."

s liberal and left-wing communist reform. When Mao was

reaching for power in China, much of the American intellectual and political establishment supported him, seeing him as an agrarian reformer determined to end the corruption and autocratic rule of Chiang Kai-shek. And after Mao's government disillusioned them, a growing number of liberal reformers saw land reform, installed with American help, as the essential way of stopping the threat of Marxist revolution in the Third World.

When the revolution led by Fidel Castro and Che Guevara against Batista in Cuba succeeded, American liberals who had given the revolutionaries their tacit support were burned again by Castro's announcement—shortly after taking power—that he was a Marxist-Leninist. The degree of liberal frustration with Castro's regime was evidenced not only in the Bay of Pigs fiasco and the Cuban missile crisis, but in the repeated attempts to assassinate Castro.

When these moves failed, liberals again began pressing for U.S.-guided land reform in many areas of Latin America, to prevent the Castro revolution from spreading. El Salvador was one country where reform seemed especially important, since 80 percent of the best farmland was owned by a little more than 200 families. These wealthy oligarchs resisted any suggestion of reform, but did accept United States aid in strengthening the national guard, to ensure stability.

Not everyone in El Salvador was opposed to land reform, however. Besides the peasants, there were the beginnings of opposition political parties, such as the Christian Democratic Party (PCD), which gained strength steadily throughout the 1960s. And there were the beginnings of some dissent in the ranks of El Salvador's army and national guard, which had heretofore essentially been the private, personal army of the oligarchs. Both the oligarchy and the army viewed their own dominance as the ultimate given.

This split was symbolized in the 1972 elections.

The Christian Democratic Party formed a coalition with

other opposition parties to field the slate of Napoleon Duarte, PCD mayor of San Salvador, for president, and Guillermo Ungo, leader of the Social Democrats, for vice president. The candidate of the oligarchs was General Jose Alberto, head of ORDEN, the rural security police. The military, in turn, supported Colonel Arturo Molina.

Duarte and Ungo advocated massive land reform, and they won. The military promptly overturned the results of the election, and installed Colonel Molina as president, angering both the oligarchs and the reformists. The reformists in the military began to get the upper hand in the struggle for power.

According to Lawrence R. Simon and James C. Stephens, Jr., writing in the OXFAM "Impact Statement" on "El Salvador Land Reform, 1980-1981,"

The most far-reaching attempt at agrarian reform occurred in 1976 under the government of Colonel Molina. With the support of U.S. AID, ISTA, the newly formed Agrarian Reform Institute of El Salvador, planned to expropriate some 56,000 hectares of land in the Department of Usulután. However, since this was good land suitable for export crops, major opposition to the plan was mounted by cotton growers from the area. The plan was shelved and the law which gave birth to ISTA was emasculated.

Molina was ousted in fraudulent elections in 1977, but this time the oligarchy temporarily gained the upper hand, and installed General Humberto Romero, Minister of Defense, as president. Romero promptly stopped all attempts at reform, and stepped up oppression of all opposition groups. By 1979, there were no less than three coups against Romero being planned. The U.S. government sent representatives to talk with various factions, and decided to back a coup led by a group of reform-minded military officers. On October 15, 1979, they made their move, ousted Romero, and immediately issued a proclamation backing land reform as central to their goals.

No progress was made for several months. ORDEN determined to wipe out the opposition. The opposition groups decided to adopt a wait-and-see attitude toward the new junta, as did the powerful Catholic Church. By January, frustrated with the lack of progress, most of the civilians in the junta had resigned.

It is in this context that the actual details of the land reform program, along with a state of siege decree, were issued on March 6, 1980. The "Basic Law of Agrarian Reform," Decree 153, was announced by the junta, with Decree 207, the so-called Land to the Tiller program, announced soon afterward.

The basic land reform package was clearly marked "Made in U.S.A." The junta was under siege, and desperately needed American aid, which had been cut off in 1977 under Carter's "human rights" policies. The Carter administration agreed to reinstate aid, but only if land reform were implemented. Officials in ISTA met in secret for several days with representatives of the American Institute for Free Labor Development (AIFLD) in a downtown San Salvador hotel, until a plan largely designed by Americans was approved in Washington. And the chief designer of the decree was none other than the man who had designed an earlier land reform imposed in South Vietnam which was intended to "turn the tables on the Vietcong" and use land reform as a means of pacifying the Vietnamese peasants, Roy Prosterman, a University of Washington law professor.

Prosterman argued for a view of land reform as essentially a form of foreign aid. His views were part and parcel of the attitudes of American reformist liberals: the U.S. must shove reform down the throats of Third World countries, he

argued, or face Marxist revolutions everywhere. Crucial to his approach was the conviction that the U.S. must support and back *existing regimes*, and force them to institute reforms designed by Americans.

What the reforms said

The land reform decrees of March and April 1980 were a prescription for disaster. The basic design is to substitute a whole new landholding system for the *latifundio* system at one stroke. The reforms have three sections: Phase I expropriated estates of 500 hectares (1235 acres) and larger, allegedly setting up peasant cooperatives in place of the old feudal system, and was largely implemented immediately following the decree of March 6, affecting the 250 or so largest farms. Phase II, announced but not implemented, affects lands in the range of 150 to 500 hectares, a category which includes 60 percent of Salvadoran coffee plantations. In Phases I and II, landowners are allowed to keep up to 150 hectares as a "legal reserve," and, again, peasant cooperatives are to be formed.

Phase III, Prosterman's brainchild, the famous Land to the Tiller, converts the actual renter of property into an owner of whatever land he is occupying.

To focus on the actual text of the decrees for a moment, Decree 153, the basic land reform law, ensured "the right to private property within a communal framework," thus effectively prohibiting the system from mutating into one of individual or family ownership. The decree further says explicitly that "exploitation of said land is [to be] carried out in accordance with the government's agricultural plans." Moreover, "exploitation of said land guarantees the minimum productivity levels, in accordance with national percentages for the crop under exploitation." Article 14 determines compensation, basing it on the value of the land declared by the property taxes paid by landowners for calendar years 1976 and 1977. The compensation is to be mainly in Salvadoran government bonds, payable at an interest rate of 5 percent over 20 to 30 years—in a country which experiences regular inflation of more than 20 percent.

Duarte has continuously claimed that under his "pro-fundo" reforms, the land was to be given directly to the peasants, but the decrees say otherwise. If the peasants had become true owners of the land, they would have the right to use, control and dispose of it as they saw fit, but Article 18 of the decree 153 states that

Land and other real estate acquired by the State shall be allocated to agricultural cooperatives, peasant community associations and other organizations of agricultural workers registered in the Ministry of Agriculture.

Land and other real property thus acquired shall be administered as a joint venture of the government and such organizations.

The joint venture to which this article refers shall be in effect until the new landholders have acquired the necessary skills; notwithstanding this, there will always be ample coordination between the State and the new landowners, to achieve national planning objectives.

This is ownership?

What the reforms did

Within days of the original land decree 153, the military swept through El Salvador, invaded farms, and told the peasants that land reform was an accomplished fact. They

were to regard the land as theirs, elect their own leadership and, for the first time in their lives, farm land which was their own property. The peasants, who had heretofore been *forbidden* to organize, were now *ordered* to organize. But they did manage to elect leaders, and the army then came back and shot those elected. Eyewitness reports indicate that several times soldiers poured back onto the farms within days after the elections, took away the leaders, and machinegunned them. More than two hundred peasant leaders are reported to have been killed in this way.

In the areas where the oligarchs were not warned, peasants assumed control rather peacefully, except for those cases where the army intervened. But in those farms where the oligarchs had some warning of what was coming, a massive decapitalization took place, as the landowners stripped their farms bare of machinery, livestock, fertilizer, and anything they could take with them. Some \$400 million is reported to have left the country.

More serious still was the structure of the cooperatives. True land reform of a libertarian variety would have returned feudal land titles to the peasants who worked the farms, and would have allowed them to decide how the land was to be used: communally, individually, in family plots, or in some combination of these. The peasants would have been free to divide up the land, if they wished, to organize formally as a collective, to decide what crops they would grow, to seek competitive sources for capital, to organize to market their products in a newly-freed economy, to bargain freely to set the prices of their crops, and to arrange to export their products themselves — whatever they wished. But as the agrarian reform was organized, none of this was to take place.

The first problem was the timing of the land reform. It struck before the harvest season, which meant that only the permanent residents of the land were benefited, not the peasants who would have been herded onto the land under harvest conditions, the true "tillers." This effectively excluded most peasants from the Phase I program. Secondly, the peasants were organized coercively, by bureaucrats from the Ministry of Agriculture and ISTA. They were then forcibly integrated into the government's national planning of agriculture. State officials told them what to grow, how to grow it, and how much they could be paid for their crops. While some peasants had wanted to shift to subsistence and other crops, the government forced them to concentrate on exportable goods, since it needed the cash to finance its projected \$200 million balance-of-payments deficit. Finally, the peasants were not allowed to sell the land, or to rent it, and were effectively tied to the land for *thirty years*.

Phase II has had more bizarre effects in many ways, precisely because it has been *announced*, but not *implemented*. Phase II affects much of El Salvador's best land. The government of El Salvador has postponed it, because it wants time to study the effects of Phase I. Now, the problem with this is that announcing that you are going to seize someone's land, not doing it, but insisting that, yes, it will be seized, sets certain things into motion. Those who presently own the land are going to make plans based on their expectation that, sooner or later, the land is going to be expropriated. And they aren't going to be particularly cheered by the offer of Salvadoran government bonds, either. One can only imagine the present landholders' attitudes toward and treatment of the peasants who are, they are told, going to be given the land. And economically, despite a half-hearted attempt to encourage the opposite — again by offering more bonds — the government is encouraging destructive use of

the land affected by Phase II. Owners will naturally decapitalize the land, stripping it of all valuable material, and will have an incentive not to invest further in new machinery or fertilizer. They are being given economic incentives to deplete the land as fast as possible, to reap the greatest possible benefit before the land is seized and turned into more state-run collective farms. The destructive potential of this blunder by the junta is enormous.

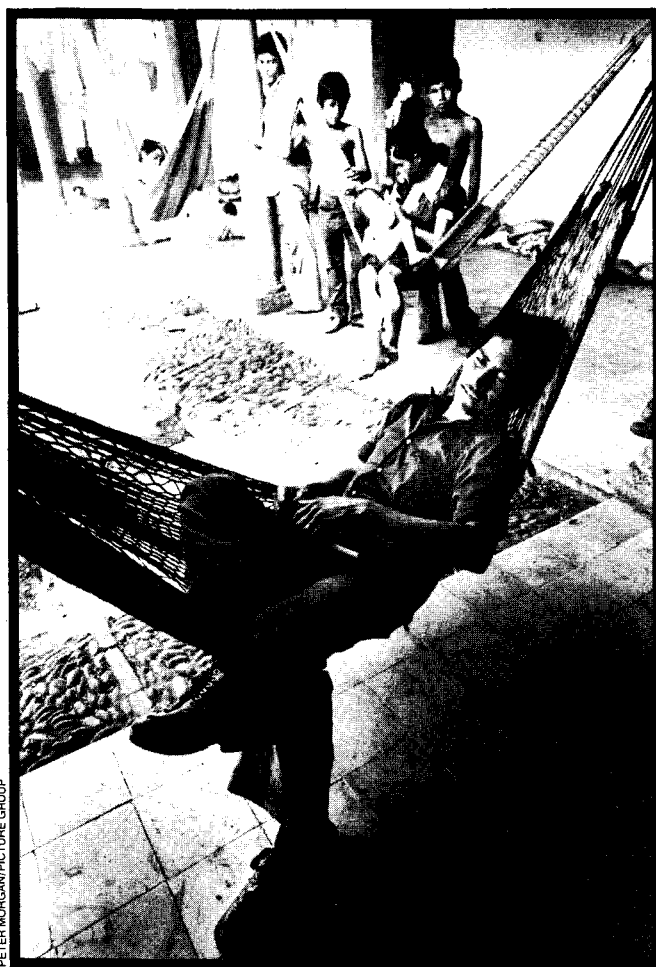
Land to the tiller

Decree 207, which announced Land to the Tiller, affects rented plots of land. What it is, in essence, is playing musical chairs with land.

In El Salvador, 80 percent of renting takes place on plots smaller than 2 hectares. Small plots of land are rented, usually from other poor peasants, as a means of furthering crop rotation. And much of this is land which is not wanted for cultivating export crops, often located on hillsides, and subject to wear from erosion.

What the law did, in effect, was to tell everyone who was farming a small plot: "freeze." They were made the instant owners of the plots they were farming, and older land titles were invalidated overnight. From a libertarian perspective this was a grave injustice, since these particular land titles were not feudally derived, and were usually homesteaded or farmed in common by small groups of peasants, who ought to be considered their rightful owners. From the standpoint of justice, the Prosterman program was an abomination.

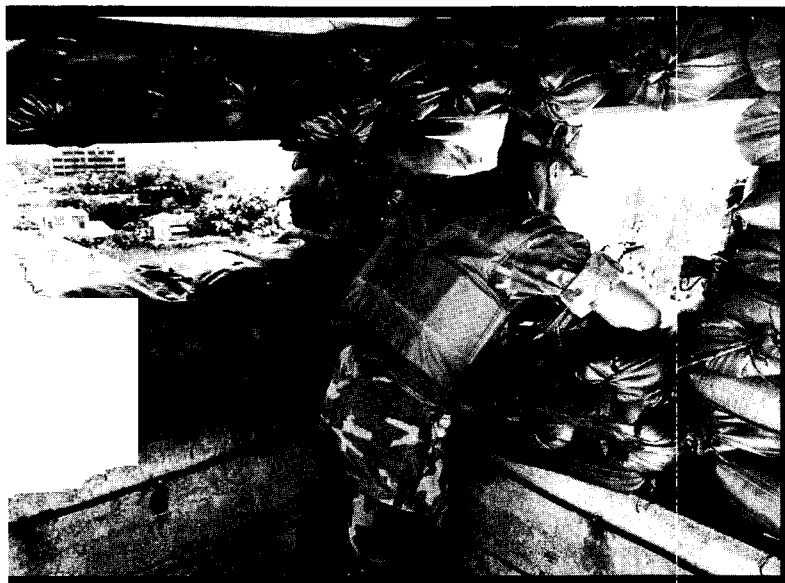
From the standpoint of economics, it was simply chaotic. According to Decree 207, "beneficiaries of expropriated



PETER MORGAN/PICTURE GROUP

land” had to abide by a host of rules and regulations. They were not allowed to lease, “or in any form permit indirect exploitation of land affected by this law.” The peasants were then, in Article 8, Section (b), frozen onto the land for a period of thirty years, after which, and only after which, they would have paid sufficient compensation to have given them full title. In the meantime, they could not mortgage, rent, or sell the land.

Every bit of this is monstrous. More than 50 percent of several staple crops are grown on such tiny plots, including corn, beans, and sorghum. They are the food basket of El Salvador. By preventing the practice of renting small plots, the junta, Prosterman, U.S. AID, the AFL-CIO’s AIFLD, and everyone else involved in this shameful episode are going to bring an end to the practice of moving from one plot to another, an effective program of crop rotation, allowing land to lie fallow so that the soil is not depleted. Crop yields will sharply decline, and by freezing tenure for thirty years, Salvadoran staple agriculture will likely be destroyed. Poor owners of tiny plots of land who have earned a meager income by alternately renting out plots and farming them themselves are deprived of income needed to survive. While feudal landlords are being allowed to keep between 100 and 150 hectares of the best land for themselves, small-scale peasants who have been desperately struggling to survive are now, suddenly, landless. Is there any wonder that the peasants are not thrilled with land reform, or with American support for the junta, and are prime targets for recruitment by the guerrillas?



Late April: A Marine guard on the roof of the U.S. Embassy in San Salvador.

American involvement

Naturally enough, the response of the United States to this entire chaotic land reform has been to offer more money to El Salvador’s junta. The U.S. Agency for International Development has requested a minimum of \$425 million over the next five years to support this fiasco and related government “services.” Moreover, according to the OXFAM report,

U.S. AID estimates that El Salvador’s agrarian reform will require debt levels of \$600-\$800 million by 1982-1983. Levels of former landlord compensation are estimated to be \$800 million

with fledgling cooperatives being burdened with over \$215 million in compensation to former landlords and in payments of the agrarian debt.

Even if cooperatives were the most efficient form of farm organization, which they are not, this burden is likely to prove unmanageable. And if the peasants default on their “compensation” payments, the government has warned that it will step in and simply seize all of the land, without any pretense of peasant participation.

What Reagan is proposing is to escalate Carter’s meddling in El Salvador. He proposes massive amounts of aid to bail out the shaky junta, in the best tradition of welfare-state liberalism. And what will he accomplish? He will flood government coffers with American aid, strengthening the parasitic government sector at the expense of the faltering and unstable private sector. While meddling American advisers work furiously to implement their personal reform hobby horses, at the expense of the peasants and private economy, Ronald Reagan, presumed foe of big government, is going to fasten upon the backs of the people of El Salvador a bloated military government whose dominance of that beleaguered nation increases with every passing day.

Reality vs. the intellectuals

This, it will be noted, is the *reality* of El Salvador — El Salvador the tiny nation in Central America, not El Salvador the symbol and myth. In the midst of this chaos, confusion, and violence, consider where the various factions in American politics stand.

The Right wing sees only “socialism” replacing “free enterprise” in El Salvador in the reforms, can focus on nothing but the Marxist threat to the country, and are ardent supporters of the oligarchy, who are painted as victims, not victimizers.

The more moderate Rightists accept the reforms as “necessary,” and urge Reagan to step up aid to the junta. They accept Haig’s charge of “Communist subversion” in El Salvador, and blame Marxist guerrillas exclusively for the conflict in that country.

The neoconservatives and right-wing social democrats are busily “applauding” American policy in El Salvador, painting the government of that nation as “progressive,” and are depicting the conflict there as part and parcel of a Manichean struggle between “two civilizations,” the United States and the Soviet Union.

Liberals, too, have applauded the land reform as “sweeping” and “progressive,” and openly hope that Reagan will push the “reforms” still further.

The radical left hates the Reagan foreign policy, the existing junta and all its supposed “reforms,” and hopes that those guerrillas who are Marxists actually win, and carry through with a Castro-style revolution of the sort which has lately caused tens of thousands of refugees to flee Castro’s despotism, for the chance to live a better life.

When all is said and done, who speaks for El Salvador?

What is to be done

Having criticized practically every group on the American political spectrum, we should not shirk the task of laying out, in broad outlines, what a proper policy would be toward El Salvador, and the rest of Latin America and the Third World as well.

The first step must be the abandonment of an interventionist foreign policy. This means ending both direct and indirect intervention by the American government as well as all those quasi-independent agencies like AID, the IMF, the Export-Import Bank, and all funding of groups such as the AFL-CIO's AIFLD. It means the end of CIA meddling and covert operations, the end of government-promoted weapons sales. It means the end of all foreign aid, which is government-to-government aid, and only pours money into the bankrupt, corrupt, and oppressive coffers of foreign governments of the left and the right, which promptly use it to oppress and often to murder their own people. We shouldn't be too discriminating here. The Left wing wants the U.S. to stop funding Rightist regimes, while the Right wing wants the U.S. to stop funding Leftist regimes. Let's stop funding *both*.

Secondly, we should end, as a necessary consequence, our apparently unending series of alliances and mutual defense treaties. The record is clear: they are not barriers to involvement but tripwires leading to escalating involvement, and to future wars. This would have the added advantage of stopping the process of seeing each and every minor conflict as symbolic of Soviet-U.S. relations, as part of a world-historical struggle between the Soviets and the Americans.

American citizens should be free to travel in, and do business in, and invest in, any place they choose—but at their own risk, without calling upon the American government to bail them out if they are held hostage, or kidnapped, or their contracts not honored, or their businesses nationalized. No longer should the U.S. government finance or subsidize them, no longer should they be looked upon as tools of one foreign policy or another. That would lead to a reevaluation of their foreign investment policies by American corporations, which all too often blithely ignore the corrupt, brutal, and murderous ways of foreign government with which they do business.

Finally, the most arduous task we can undertake is an *intellectual* one: to fundamentally reevaluate our own domestic political categories, the mythology of Left versus Right, the corrupt and damaging package deals known as liberalism and conservatism. The Third World is ruled by feudalism and autocracy, by state socialism and state capitalism, by colonialist remnants as well as communist tyrants. They badly need change, but they most assuredly do not need the changes proposed by those at Right-wing cocktail parties and think-tanks, who turn a deaf ear toward the cries of those tortured and oppressed by Rightist regimes abroad, or those at Left-wing cocktail parties and think-tanks, for whom there are no enemies on the left, and for whom charges of communist atrocities are always myths to be explained away.

Then we must begin the process of looking at the Third World as it is. Much of the Third World is in desperate straits, badly needing reform and even revolution. But they do not need the kinds of reform and revolution proposed by the Right or Left. They do not need Americans planning their social systems or sacrificing their economic lives to social experiments. People are not to be experimented on. The boil of hypocrisy needs to be lanced. Rightists prate about freedom in America, and moan about big government, while backing regimes in other countries which make the "big government" in this country look like a gnat or a flea. Leftists prate about equality and monopoly corporations, while lending their support to regimes which know nothing of equality or true, individual human rights, and whose domination over their own economic system is infin-

itely greater than any group of American corporations can even imagine.

The Third World does indeed need land reform, because feudalism has not yet been eliminated, and the elimination of feudalism is the only way for a progressive, liberated market system to come into operation. Land titles derived from neo-feudal conquests ought to be given back to the people from whom they were stolen, and the people of the Third World set free to develop in the spontaneous order of the liberated, free play of voluntary social processes and markets.

But these reforms cannot and must not be implemented by Americans, however well intentioned. They must be understood, grasped, and fought for by the people in the Third World *themselves*. We have had enough of big brother paternalism. The graves are filled with its results.

The reason we face Marxist revolutions in the Third World is that the Marxists have seen the world conflict always in long-term views, and have done their homework. Alleged supporters of free market capitalism have all-too-often been content never to look beyond the next election, or the next coup, or the next revolution, always supporting those who, they claim, are "pro-American," or at least "anti-Communist," or, when all is said and done, "anti-Soviet." The fact that people in the Third World are suffering badly seems almost to bore them. They have never learned the lesson the free-market advocate Louis Bromfield tried to teach them in 1954, when he wrote in his book *A New Pattern for a Tired World*:

One of the great failures of our foreign policy throughout the world arises from the fact that we have permitted ourselves to be identified everywhere with the old, doomed and rotting colonialist-imperialist small European nations which once imposed upon so much of the world the pattern of exploitation and economic and political domination. . . . We have not given these peoples a *real* choice between the practices of Russian Communist imperialism or Communism and those of a truly democratic world in which individualism, . . . capitalism and free enterprise are the very pillars of independence, solid economics, and liberty. We have appeared to these peoples themselves . . . in the role of colonial imperialists . . . and of supporters in almost every case of the rotting old European empires. . . . We have, in brief, always appeared to them in the guise of Europeans rather than as Americans.

To reclaim the image of ourselves as Americans, not Europeans, we must reclaim the entire tradition of radical classical liberalism, of the American revolution, strongly supportive of individualism, natural rights, private property applied to everyone, free market capitalism, free trade, noninterventionism, and peace. In the progress from ancient civilizations to our own time, liberty was extended to more and more classes in mankind just as property rights were *extended*. In the Third World, the Left would restrict property rights to the State apparatus, which would "plan" for the people. The Right would support the "property rights" of feudal autocrats, and hear nothing of property for peasants. We need to recapture the vitality of property as a liberating, not a conservative, force in the world.

This is an approach which may well be rejected out of hand by received opinion today. But that, perhaps, might be a point in its favor. Have the opinion molders done so very well, that we should treat their stale categories and ancient battles as idols to worship? □

Roy A. Childs, Jr. is the editor of *LR*. His article "El Salvador: The Roots of Intervention" was published in the April issue of *The Libertarian Review*.



THE BETTMANN ARCHIVE

Senator Joseph R. McCarthy (center) presiding over his Permanent Sub-Committee on Investigations hearings in 1954.

Book Reviews

A red is a red is a red

KATHY SHARP

Naming Names, by Victor S. Navasky. The Viking Press, 482 pp., \$15.95.

COLE PORTER ONCE SAID, "If you want to get the crowds to come around, you've got to have glorious breath-taking cinemascope and stereophonic sound." It's not known whether Porter ever gave this sage advice to Senator Joe McCarthy's Permanent Sub-Committee on Investigations or to the better known House Un-American Activities Committee (HUAC). But he might well have. For nearly a decade, the controversial hearings held by these committees induced the film industry's glamorous figures to "speak a little louder into those microphones." And they not only drew the crowds, they also broke a couple of House records.

For starters, the hearings comprise one of the best examples of the hypocrisy of America's system of "indi-

vidual freedom." How a free Congress could illegally charge people with the "crime" of holding certain past political party affiliations is quite a historical question, entangled by human emotions and national moods. *Naming Names*, by Victor S. Navasky, is an attempt to unravel the strings behind HUAC's puppet show. Navasky threads together hours of interview tapes, reams of documents, and boxes of letters in an attempt to understand the past.

Navasky's book concentrates on the Hollywood set, rather than on the Washington hams who often upstaged the country's cinematic idols by repeating that one-liner: "Are you now or have you ever been a member of the Communist Party?" Instead, we read of Tinseltown and gain insights into not only our political system but our cultural makeup as well.

If the Communist Party was drawn to Sunset Boulevard by its glitter, financial glut, and the opportunities surrounding film as a "weapon of mass culture," so was Washington. In this light, the politicians' relationship to the film industry comes into sharp focus: both were in the business of manufacturing our dreams. However, as Edith Tiger, the director of the Emergency Civil

Liberties Committee says, Hollywood was "our royalty, and if you want to scare a country, you attack its royalty."

During the 1930s, a number of the country's royalty was dabbling in the proletariat's politics. Many of the film folk were attending Communist Party meetings and some were active within the organization. One of these, Elia Kazan (director of *On The Waterfront*), explained his own attraction to the big "C" in a *New York Times* ad he placed the day after his Committee testimony:

"At the time nearly all of us felt menaced by two things: the depression and the ever growing power of Hitler. The streets were full of unemployed and shaken men. I was taken in by the Hard Times of what might be called the Communists' advertising or recruiting technique. They claimed to have a cure for depression and a cure for Nazism and Fascism."

Many of the film folk sincerely believed that the Communist Party was working to make the world a better place to live in. To others, red was merely the color of the season. The Russian import was therapeutic for the guilty who were sipping champagne and living off dreamy movies while the rest of the nation stood in soup lines.

For the most part, Hol-



lywood's affair with Moscow was short-lived and, considering the size of membership, harmless. Total Party membership never even approached one percent of the American population. Its all-time high of 75,000 came when the U.S. was a wartime ally of the Soviet Union. Thereafter, as people became disillusioned with the party (and as HUAC's tactics became more effective), Party membership dropped to 10,000.

In the fall of 1947, HUAC Chairman J. Parnell Thomas announced open hearings in Washington. And one of the first to cooperate was Ayn Rand, the Russian-born author of *The Fountainhead*. In one of the longest testimonies at the time, running nine pages, she defined Communist propaganda as "anything that sells people the idea that life in Russia is good and that people are free and happy..." Based on this, she claimed the movie *Song of Russia* was full of propaganda because of all the smiling "happy kiddies" in it. As she told the committee, "the terrible thing is the carelessness with ideas, not realizing that the mere presentation of that kind of existence in a country of slavery and horror is terrible because it is propaganda. You are telling people that it is all right to live in a totalitarian state."

Shortly after Rand's testimony, the resisters, the Unfriendly Witnesses, were called before the Committee. Contrary to Billy Wilder's quip that "of the Unfriendly Ten, only two had any talent, the other eight were just unfriendly," the ten were an impressive lot. They included Albert Maltz, an O. Henry winner whose short stories and movies (*Pride of the Marines* and *Destination Tokyo*); were well-known; Dalton Trumbo, the highest-paid writer in Hollywood at the time and author of the prize winning novel, *Johnny Got His Gun*; Ring Lardner, Jr., co-author of the Academy Award winning screenplay, *Woman of the Year*; and John Howard Lawson, author of various theatre and film texts

and the then-celebrated movies, *Sahara* and *Action on the North Atlantic*.

The Ten's strategy was to refuse to answer questions about Party membership, based on the First Amendment's guarantee against incursions on free speech rather than on the Fifth's blanket against self-incrimination. And Hollywood backed the Ten. A plane-load of sympathetic stars, including Lauren Bacall, Humphrey Bogart, and Groucho Marx, flew to Washington on the day of the hearings.

Congress didn't think much of the celluloid heroes' unified front: they cited the Ten for contempt. And in a move which started a trend, the president of the Motion Picture Association of America, Eric Johnston (who had earlier

Committee and promptly groveled at its feet: "I would like to stand... I want to humbly apologize for the grave error which I have committed and beg of you to forgive me." Sterling Hayden, star of *The Asphalt Jungle*, named his former mistress, Bea Winters. Richard Collins, who wrote *Song of Russia*, named names and lived to regret it. "I was a son of a bitch," he now says, "a miserable little bastard. It was unfortunate but true."

Navasky's interviews are fascinating. He never appears to judge his subjects and he never tricks them with left-field questions. As a result, we are privy to a stream of candid and painful reflections from the survivors. Through these pages, we hear the tenor of the times.

"HUAC hearings were degradation ceremonies. Their job was not to 'discover subversive activity' so much as to stigmatize."

promised that "As long as I live I will never be party to anything as un-American as a blacklist") announced that the Ten would be suspended without pay.

After that, those who did resist were shy of taking the Fifth and so grabbed the Fifth with its cloak of protection against self-incrimination. Many, like Lillian Hellman and Henry Miller, later told the Committee they would give any information related to themselves but not about others. However, the Committee insisted that by talking about oneself, one waived the right to refuse to talk about others.

The first man to testify after the Ten was Larry Parks, whose portrayal of Al Jolson had brought him to the brink of stardom on the eve of his hearing. Parks told HUAC that "... to mention other people's names ... is not the American way," even as he acquiesced and named names. Nicholas Bela, a Hungarian-born writer, stood up out of respect for the

Roy Huggins, a Communist member for a brief time and writer of *The Fuller Brush Man* and *The Good Humor Man* said: "It was a period of absolute terror on the part of the whole country. Terror and paranoia. We were convinced that war was just around the corner ... Title Two of the International Security Act gave the president the right to put into detention—concentration camps—anyone suspected of being a subversive when the president decided that the emergency required that action."

It was in this atmosphere that 300 men and women named names, thinking to save their country, jobs, marriages, children, and sanity. And for every informer, there were two resisters who found their futures were on the line for something they had been associated with *years before*.

So what was the purpose of the moralistic hearings? Despite HUAC's claims, it was *not* to gather information for

legislation. The Committee already knew the names it was demanding from the film folk. Thanks to FBI informants, the Committee had access to all of the Los Angeles County Party names from 1936-1945. Yet McCarthy and his minions continued the Kafkasque trials. Why?

"HUAC hearings were degradation ceremonies," Navasky says. Their job was not to "discover subversive activity" so much as to stigmatize. The hearings were replete with rituals, denunciations, and lists and everyone contributed to the rites. Here Navasky draws on sociological and psychological percepts, doctoral theses and statistics from controlled experiments and offers a pastiche of cultural personality traits that isn't too flattering.

Hollywood started internalizing Washington's tactics. The movie moguls came to heel before HUAC just as meekly as the Soviet cultural committees did under Khrushchev. The blacklist (or whitelist, as the black actor William Marshall calls it) is a prime example of Hollywood's internal controls. However, controls started on more personal levels. "For one person to look directly at another and not acknowledge the other's bow is such a breach of civility," says Emily Post, "that only an unforgivable misdemeanor can warrant the rebuke." Yet such was the experience of almost everyone on both sides of the list.

The fact that such social snubs and stigmas still operate in Hollywood today, proves that this part of America's past is an exposed, raw nerve. As Navasky points out, "social penalties are not the most painful, but for one who would understand the moral business of the blacklist, they may be the most significant."

That such a malignant xenophobia could infiltrate every closet of the United States is frightening. And the news media played a particularly unbecoming role in this surreal drama, merely regurgitating the Committee's dogma. Gossip columnists were notorious for perpetuat-

ing the name-naming. Walter Winchell and Hedda Hopper became adjuncts of the blacklist process. Few newspapers challenged McCarthy or bothered to check the Committee's allegations.

Many writers, like George Sokolsky, used their columns as the billboards of America's conscience, painting this guy red and that one true blue. In response to Humphrey Bogart's letter, wherein Bogie regretted his famous Washington visit to support the Ten as "foolish and impetuous," Sokolsky wrote:

"Confession is good for any man's soul. And you display great courage and manhood to confess error. Yes that trip was foolish. . . . If you are genuinely contrite for a very foolish bit of exhibitionism, you ought to go further. You might tell us who suggested that trip to Washington. Whose brainchild was it? Who projected you and your wife to take the lead? . . .

"If you have no better way, use this column for that purpose. It gets around."

This is typical of the editorial drivel of the time. However, there were a few non-Communist liberals who saw McCarthyism as the domestic repression it was. These included Carey McWilliams of *The Nation*, Thomas I. Emerson of the Yale Law School, Bernard De Voto of *Harper's*, and Albert Einstein, among others. Yet, most of the popular media acted like megaphones, blasting out the rhetoric of the institutions they were supposed to be objectively covering.

Even that champion of human rights, the American Civil Liberties Union, was sucked into the paranoia vacuum. In May 1940, Elizabeth Gurley Flynn was kicked off the board of the ACLU because she was an admitted member of the Communist Party. At the same time, the board wrote a resolution, applying to members of the staff (but not rank and file members) of the ACLU, purging communists from policy-making positions and denouncing the Soviet Union and other "obviously

anti-democratic" organizations.

Flynn died in 1964, and in the late 1970s the ACLU had a change of heart, rescinded the 1940 resolution, and reinstated Flynn posthumously—indicating that the 1940 position had been over-influenced by the rampages of HUAC.

The failure of our judicial system, the ACLU, the established media, the resisters, collaborators, cooperators, and passive spectators to vehemently denounce the hearings for what they were was not a failure of courage so much as of perspective. Almost everyone at that time submitted to the environment originally created by HUAC. It was totalitarian time, and Hollywood's position in the power struggle wasn't just superficial. As John Howard Lawson has pointed out, "The role of art is too essential to be dismissed (or at least defined) as part of a general struggle of a political or social kind centering around an 'odd' phenomenon called 'McCarthyism.' The technological revolution has made control of media a burning issue, and we shall all be badly burned if we do not understand its implications."

Badly burned indeed.

The timing of Navasky's sober study of "the big charade" is apropos. It is well known that President Reagan, with his motion picture credentials, strongly believes in the "reinstatement of a committee such as the one-time House Un-American Activities Committee." Strom Thurmond, once a McCarthy enthusiast, is now Grand Dragon of the Senate Judiciary Committee, and HUAC has recently been reincarnated in the form of the United States Senate Subcommittee on Security and Terrorism.

Naming Names offers perspective. Navasky gets into our collective psyche, holds up a mirror and makes us look at our moral values and ethics. And not a moment too soon.

Kathy Sharp is a San Francisco freelancer who writes regularly on the law and civil liberties.



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PSST! HEY YOU! YEAH, you with that gold coin necklace bouncing on your chest. I've got something here I want to show you. Come a little bit closer. Don't be afraid. This is, sort of, well, privileged information. I don't want anybody to overhear us. Come on, a bit closer. Yeah, that's it.

Take a look at this book. This single book is going to make your whole damn library obsolete. That's right. You're going to sweep your shelf clean of all your Harry Browne books, those fancy James Dine

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Getting curious now, eh? Step back, you're crowding me; I'll show you the book in good time. What? You say you've just bought Douglas Casey's *Crisis Investing*? And Jerome Smith's *The Coming Currency Collapse*? Chuck them into the cord wood pile, too. Okay! Okay! Calm down! I'll show you the book! It's *How To Prosper In the Coming Apocalypse* by Richard Curtis. Yeah, the same guy who wrote *The Case for Extinction: An Answer to Conservationists*. Sure it's a thin book, but your common sense reconstitutes this book into a veritable survival encyclopedia just the way water bloats your freeze-dried steak and potatoes back to life. Yeah, I know that stuff tastes awful. My dog

won't eat it even if I put ketchup on it.

This Curtis guy is the financial genius of the eighties. I bet you torture yourself for not buying gold at \$35 and jumping on silver. Always buying at the top and selling at the bottom, eh? You're not the knucklehead who thought the way to protect his wealth was to buy kosher Hebrew National Franks and store them in Israeli Banks? Well, your tough luck is over.

Listen to what he has to say. The whole damn world is going down. It could go in fire, ice, in a bang, or with a whimper. But the things to look for are a lot of trumpets blowing, the earth giving up its dead, the Chicago Cubs taking the World Series. You get the drift. But by that time it's all over. All the suckers will know then that the end is at hand. You've got to know the secret warnings signs. Naw! I'm not going to tell you. Think I'm a fool? I'm selling information—I'm not giving it away.

Hey! Come back. Okay, I'll give you another warning sign of the coming apocalypse, just because I like the way you dress. Get a Hereford cow. Now, when she starts speaking Yiddish, I mean, *schmoo* instead of *moo*, it's time to cancel your *TV Guide* subscription and pack your bags. When ol' Bossy says, "Oy vey, 's 'iz Yom Hadin," get the family into your diesel VW Rabbit and high-tail it to a small California town. But first poison that cow so that when the looters come and eat it they'll die. It will serve them right and spare you the defense cost and the mess of cleaning up their bodies when they try to tiptoe through the Claymore mine field Curtis suggests you encircle your house with.

What do you mean you're skeptical of doomsday? Those religious rappers have been making sense out of this line for a long time. Even physicists talk about entropy, about how everything is running down and someday we'll all die of heat death. It's going to happen. The government is already cutting fifty-cent pieces

with Hamburger Helper because they've run out of the energy to debase the money supply with good old nickel and copper. It's going to be worse than Germany after WWI, Argentina after Peron, Cambodia after Nixon! All the debts are coming due! There's a bad moon on the rise! There's going to be a horrible Judgment! Fornicators, sodomists, blasphemers, dope fiends, Keynesians, lawyers, and poor people are going to feel a horrible wrath! It's all been written in this little book!

So you say, okay, I've moved to some stinkwater desert town in California, I'm raising sheep, I've got a ten year supply of Skippy peanut butter I use as a couch, I've tied the wife and kids to a post in the garden so they tend it properly, I've learned that barter is better—my friends and I have a quality exchange program, one carton of Marlboros equals two Roach Motels, four Mickey Mantles equal two Willie Mays—but hells bells, the ball game is over! The lights are going out! The arm of apocalypse has reached far and near to snuff everything! What good is this damn \$3.95 paperback going to do for me then?!

Come a little bit closer. And promise not to repeat what I'm about to whisper.

Some will be spared! And that's no shuck, my friend! What do you mean it sounds familiar? Why am I even wasting my time on you? Forget you, Charlie. Just don't come weeping on my doorstep when the shit hits the fan. Go to hell on the conventional wisdom, see what I care. You're what? Okay, I'm sorry, too. Sure you can buy the book—here. It's just that I get a little wound up about the apocalypse. Take a look on page 83. In the post-apocalypse our economy will run on, dig this, a mayonnaise standard. It's spreadable, edible, divides easily, it's immutable, and it stores well if you refrigerate after opening. This book is going to change your life. You've made a wise move.

One more thing. You'll probably run across some people who've already read the

book, and who'll tell you that the whole thing is a joke, a put-on, a satire on all those "How You Can Prosper..." books. Well, I think you've got more sense than to believe that. I thought so the minute I saw you.

By the way, the author has just started publishing a newsletter, *Apocalypse Soon*. It has all the charts, stats, and citations you'll need to make sense out of the book. Think of it as a continuing version of *How To Prosper In the Coming Apocalypse*. It's only \$200 a year. Hey, did I tell you about the *Apocalypse Soon* phone referral network? Yeah! You've got a problem, want a good deal on a woodburning stove or an Ingram machine gun? Just call—used to be a toll free number, but hey, no free lunch, right? I can sign you up right now as a charter, lifetime member for \$350. Okay! Sign right here! Say, have you ever seen a shell game? Now watch the one with the ball....

Jack Shafer awaits the coming apocalypse at his home in Los Angeles.

On View

Lovelorn

DAVID BRUDNOY

OF LOVE THERE IS NEVER enough; of love in the cinema there is always a glut, invariably more than the neighborhood theater can contain, and of that much, probably a great majority, that is false, that is preposterous or trite. It may plausibly be argued that in our time nothing, not even television, has so distorted the reality of love, as the cinema. Obviously it is too facile merely to say that moon-June-spoon flicks of adolescent girls are to blame for the unattainable goals, the absurd expectations of lovers dashing into premature marriages that go kerplunk now about half the time, but it is not too broadly generalizing to insist that the film images of Love greatly

color our so often disappointing excursions into love.

Pass through the movie pages of your local daily newspaper, especially on Sundays, when the ads are huge, and on Fridays, when the new movies open, and see the great number of advertisements that aim to touch our hearts (and our wallets) by appealing to our endlessly frustrated quest for the perfect love story. Even a movie that has little to do with love, popularly understood, has undergone a title change in pursuit of a wider audience: the estimable but financially unsuccessful *Melvin and Howard* became *Melvin (and Howard: a Love Story)*, at least in some markets, this as a desperate attempt to alter the ad image of a movie that its makers knew neither how to comprehend themselves nor how to sell to others. (One of my critic colleagues told me recently that an industry source had told him that the widespread image of the movie under its original title is, or was, that it dealt with male lovers, certainly not that it concerned Howard Hughes and Melvin Dummar. How, exactly, the new title is, or was, expected to change that perception, I don't know.)

Never mind; when things get rough, when tickets aren't selling, the pushers of movies press our Love button and hope and pray that we'll zip right out and buy a ticket. Absolutely atrocious exploitation movies like the recent *Fun House* toyed with two advertising approaches: the basic number stressed the horror awaiting within the carnival attraction; the more extended promotionals dwelled longingly on the pretty girls and nice looking young men who seek and find a kinky place to get it on and then having copped, as I think the expression goes, a prolonged feel, wind up hideously mauled by the fiend.

Those films that are wholly of another genre entirely—like kung fooey flicks, war movies historical epics lacking a dramatic romance—are usually sold to us without



Michael Mann's thriller *Thief* portrays a master crook who tries to make one last heist before settling down. Here James Caan resists slapping Tuesday Weld in a lover's spat.

Love, but almost every other kind of movie is a candidate for the sort of advertising approach I have briefly described. Surely it can't be entirely accidental that the single most common theme used to promote a movie is Love: we want, we crave, love; we must hope that for 108 minutes at four or five bucks a throw we'll get in touch with it, though when we do the result more often than not is abysmal.

Thief

Michael Mann's style-heavy exercise in criminal thriller is notable primarily for its driving score by Tangerine Dream, its exciting glimpses of well-orchestrated heists of expensive gems, and its fine starring performance by James Caan. *Thief* suffers from the intrusiveness of a couple of side-plots (or perhaps semi-side-plots would label them more accurately) and from a lamentable excursion into fitful fascination with Mr. Caan's naked chest, revealed more for the revelation than to advance the plot. The story concerns an expert thief who craves a family to round out his dream, and who persuades a lovely blonde (Tuesday Weld) to marry him and then, with the help of a crime boss (Robert Proske), adopts a baby. He agrees to commit one particularly difficult and rewarding heist for a

promised fee in excess of \$800,000, intending to retire with his beloveds and his money and live the life of leisure. This schedule for the thief's retirement is not shared by the boss, who tries, with tragic consequences, to keep his thief on the job forever.

The strength of *Thief* is its story of the man who would squirrel away his "earnings" and abandon his trade; its weakness, but as it happens one of its major selling points, is its love angle. You have undoubtedly seen the television commercials for *Thief* featuring Miss Weld holding the baby, running in slow motion with her hair billowing out as if for a Prell commercial, and other scenes, shown in movie theaters as part of the trailer, dwell on Mr. Caan and Miss Weld engaged in adoring glances at one another. In point of fact, all of that amounts to little more than a peg on which to hang a familiar banner: come to *Thief* and experience Love. By all means do go to *Thief* and try to endure the goo-goo for the sake of the rest of the film.

But could it sell... without the silly lovey-dovey stuff? I think it could, but I don't design the ad campaigns for movies. Frank (Caan) as a loner, motivated by some unspecified reason for wanting one last, huge haul in order to give up the thieving business,

would be a more convincing character than Frank alternating a rather casual brutality with a soppy romanticism. He doesn't look the type, somehow, to care, really to care, about the house-wife-baby routine, and *Thief* loses a considerable amount of its considerable force when it slows down to forcefeed us an overly rich diet of amour.

All Night Long

This may be the only time that Barbra Streisand will allow herself to be directed to underplay anything, not that the usually overbearing Miss Streisand can easily be endured when she is running in her manic mode, only that when she downplays she disappears. Gene Hackman is one George Dupler, a fellow who has bucked the corporate ethic once too often and been reduced to the night manager-ship of a supermarket. His son (Dennis Quaid) has been bedding the wife of a relative of a relative, and George tells the lad to lay off. In response to which, Cheryl Gibbons (Streisand) ventures out to the supermarket to get George off the kid's back, only to shift her affections from son to father. A couple of marriages splinter to bits and, improbably, Cheryl and George start life anew.

Jean-Claude Truamont's comedy differs from what we

would expect of both Miss Streisand and Mr. Hackman not only because she has been muted and he has been, shall we say, gelded; it differs also because it takes such a frighteningly cavalier attitude toward marriage. Cheryl's husband (Kevin Dobson) is a clod, but George's wife (Diane Ladd) is, all things considered, a rather appealing lady. We may enjoy watching Cheryl walk out on her spouse, leaving him to his pals down at the fire station, but we feel cheated by—or at least we are prone to feel some guilt occasioned by—George's desertion of his wife. Somewhere buried in this utter failure there is a morose lesson that smashes into our expectations. We want to feel that all is right with the world when the final credits roll, not that a comedy, of all things, has provided us with such a dilemma: do we cheer the newly formed couple, or do we mourn the sad way things turn out for Mrs. Dupler? We can't have it both ways. In comedies we demand that the good guys, no matter how awkward their early misadventures, no matter how humiliating their pratfalls, walk away happy, and that the bad guys don't. When one of the good guys, in this case George Dupler's wife, loses George, whom we rather like, we are stymied. The conventions of Hollywood love stories do not casually permit such endings, and so we are unhappy, we do not laugh, we don't tell our friends to go see the film, and in this case the film absolutely folds after mere weeks on screen.

Eyewitness

Peter Yates and Steve Tesich, who combined to make *Breaking Away*, here break away from another rigid rule of the American love story. They do not make the love story central to the movie, nor do they make the love story peripheral though intelligently related to a central story worth telling. This is a whodunit, of sorts, awkwardly mixing something about Russian Jews whose freedom must be bought at

great expense, with something about sneaky Vietnamese living in America, with something quite charming about love. The mixture is not so much distasteful as unidentifiable. It is elegantly assembled but amounts to nothing, thus it reduces the most enjoyable part of the movie to a very subsidiary part of something the core of which is empty. What is the spinoff of nothing?

William Hurt, as a pleasant, gentle young janitor named Daryll Dever, happens both to be in the building he cleans when a foul murder occurs and to have a thing for a television reporter, Tony Sokolow (Sigourney Weaver), who comes to cover the murder. Dever is not an eyewitness to the crime but he suggests that he is, so that he can see more of the television reporter. Nasty things happen all around them, and when the dust settles they are in each other's arms, but the getting there is not much fun. Both Mr. Hurt (*Altered States*) and Miss Weaver (*Alien*) are enormously appealing, Mr. Hurt especially. Some serious early planning could with little effort have incorporated a sparkling romantic plot into a devilishly clever murder mystery. Instead, we got a cloddish murder mystery, made even more lumpy by the looming presence of Christopher Plummer, bedecked in an improbable tan, and a courtship that veers wildly between a bucolic scene in the

park—I expected Elvira Madigan to come running through in slow motion, it was that sweetly conventional—and scenes of unsettling violence.

Eyewitness is a tale of lovers destined to meet and to intertwine, strangled by a bloated, stupid framing device, the murder mystery. Here love becomes for the moviegoer an embarrassment, not because loving is depicted crudely or amateurishly, but instead because there is insufficient breathing space within all that balderdash for the romantic seed to sprout. We get a nice bed scene, to be sure, initiated by a boyishly grinning Daryll Dever promising his goddess of the tube that this will be a night to remember. And we are glad that they both survive the slaughter. But the thought is inescapable that some essential measure of coherence has been sacrificed for the sake of the artsy message, a message, it won't hurt to repeat, that is fatally garbled.

The Postman Always Rings Twice

Does any movie really need four different versions spanning a half century? Probably not, but this Depression-era tale of despair, lust, love, murder, and just deserts is a splendid remake and a splendid save by Jack Nicholson after his grotesque flop last year, *The Shining*. The new *Postman*

Always Rings Twice is so steamy you could boil rice by it, and with the participation of Jessica Lange, previously seen in the clutches of a largish monkey (*King Kong*) and teaming up with the girls to make money illegally (*How to Beat the High Cost of Living*), it is at times, actually for long stretches, outstandingly sensual. Nicholson is, I am told, sexually attractive, though I can't remember when I could imagine why, or to whom; Lange has previously been dismissed as a no-talent looker. Here Nicholson, wandering hairline and manic eyes notwithstanding, becomes ideally suitable for the role of the wanderer who takes another man's wife and then, with her, kills the other man.

The picture is shot in ambers and mauves, it is sparingly scored, surprisingly rough in its love scenes, absolutely compelling in its realization of the twin themes of murder and carnal knowledge. There is coherence here, so sadly lacking in *Eyewitness*; there is excitement and intelligence and poetic justice and a chill that would torment an Eskimo.

Back Roads

Back Roads further moves Sally Field to her new destiny on screen as Queen of the Asphalt. Lacking Burt Reynolds with whom to spat and get dirty, she teams up in this trifle with Tommy Lee Jones, a man whose name suggests a rock singer but whose ugly-handsome face and sinewy body suggest a just recently retired gigolo. They meander through some approximation of red-neck country dialect and through assorted misadventures, hers as a hooker hoping to graduate to manicurist, his as a pick-up boxer aiming—aimin'—to git...by. Love rears its convenient head and after what seems like an eternity, the obvious dawns on both. This film satisfies the expectations of Hollywood love stories, subcategory prole, but it is so repetitive and so prolonged that it congeals before our eyes.

The Howling

The Howling is one cut above the usual horror flick, not a very hefty cut, but sufficient to deserve a mention. Here the whimsical conceit is that a psychiatrist (Patrick Macnee) runs a retreat, an Esalen of sorts, for werewolves; he is very concerned that his beasties, and he's one of them, function smoothly in (shall we call it) mortal society. Into this garden of demons come Karen White (Dee Wallace), a television reporter who might have been the Sigourney Weaver character in *Eyewitness* as easily as not, and her husband (Christopher Stone), who would appear to be a senior life guard. As it is written: he (or she) who is bitten by a werewolf and does not die, becomes a werewolf. You can imagine the fun of it all, amidst the carnage, when one of the hotter lady werewolves (Elisabeth Brooks) gets it on, deliciously nude, with Karen's husband, same. The scene is near-classic: these gorgeous bodies pant and whimper, groan and slobber, and then the teeth lengthen, the moans turn to howls, and in no time at all we have a merry bay-ing and a hairy coupling.

There is much more, all quite standard, to *The Howling*, and a cameo exercise in scenery chewing by John Carradine as another of the pack, but for our purposes it is enough to mention that the most captivating aspect of the movie is the screwing 'neath the full moon that could as well as not serve as a TV commercial on behalf of Wolf Lib.

What happened to Dick and Jane meeting, spating, reuniting, and waltzing off into the sunset to the music of a hundred violins? Don't ask.

LR's film critic also reviews for WNAC-TV (CBS), WRKO-AM (ABC), and *The Boston Herald American*. He hosts "The David Brudnoy Show" on radio and "Nightscene" on television, writes a nationally syndicated newspaper column, reviews books and restaurants, and lectures frequently on popular culture and politics. © Copyright David Brudnoy 1981



The *Postman Always Rings Twice* stars Jack Nicholson and Jessica Lange in a remake that is absolutely compelling, and "so steamy you could boil rice by it."



Jack Woodford

The National Letters

Self-help and cheap thrills (Part I)

JEFF RIGGENBACH

EUGENE McCARTHY ONCE said that being in politics is like being a football coach: you have to be smart enough to understand the game and dumb enough to think it's important. As a one-time politician who is also a poet and man of letters, the former Senator from Minnesota doubtless knows full well that precisely the same thing might

equally be said of being in literature — though to understand the literary game in America what you need is not so much smarts, in the sense of abstract intelligence, as a kind of animal cleverness, the precise sort a dog exhibits, for example, when he abases himself abjectly before a human being who will feed and pet him, or the sort a parrot exhib-

its when he slavishly imitates the speech of his human trainer in return for a soda cracker.

The rules of the literary game in America have long demanded exactly such a talent for symbolic self-immolation as this from any who sought to play it. American literature first developed in the mid-nineteenth century, in a nation which, for all political purposes, had violently separated itself from Europe fifty years before, but which, for all cultural purposes, was still a colony of Great Britain. Young Americans bent on literary careers in the 1850s had first to establish their qualifications for such careers to the satisfaction of the publishers, critics, and professors who made up the literary establishment of the time. And by far the quickest and surest way to do this was to acknowledge the crudity and worthlessness of all American writers who did not write as the English wrote, and to carefully pattern their own work after approved English models.

The same situation persists nearly a century and a half later. If you want evidence, simply look around you. Erica Jong was ignored or airily dismissed by the literary establishment when her first novel, *Fear of Flying*, an episodic, first-person, confessional tale composed entirely in the American vernacular, hit the bestseller lists in the early '70s. But she has become the toast of the town among the literary set now that she has published her latest novel, *Fanny*, a frank imitation of Henry Fielding (all the way down to the 18th century British English in which it is written) which received Page One treatment last year in the *New York Times Book Review*. Lewis Lapham, the editor of *Harper's*, has gone on record in the *Washington Post* as favoring cutbacks in federal aid to the arts, not because such aid is inherently elitist and unfair or because it is manifestly unnecessary, but because "Americans... haven't got the knack for making works of art."

There are many examples of



this kind of thing in American book reviewing and literary journalism — so many that if you regularly read two or three newspapers and a dozen or so weekly, biweekly, and monthly magazines, as I do, you can get the feeling that you're literally surrounded by it. But perhaps the most instructive of all the more recent examples I could cite of this problem is an article called "American Writing Now" by the eminent critic Alfred Kazin, published in *The New Republic* for October 18, 1980. "American writing," Kazin announces in this article, "resembles a parade in the rain. Nothing lasts." And though he tells us that "I am not so foolhardy as to pretend that I know what lasts," he goes on to assert that whatever the stamp is that makes a book endure, "I am quite sure that most of our leading novelists and poets just now do not have it." We have even descended to the point, he laments gloomily, that "books even for the minuscule number of Americans that regularly buy them tend to be diet books, self-help books, information manuals, almanacs, thrillers."

There are several points which might be made against such an indictment as this, but one of them fairly cries out to be first in line. It is a point which is perhaps best made in the form of a question: When was it otherwise? Self-help books (a category which would seem, if you think about it, to include diet books, information manuals, and almanacs) have *always* been popular among American readers. And so have thrillers. Take Dr. Spock and the novels of Mickey Spillane out of the list of the all-time top ten bestsellers, and the remaining titles may be counted, as Nabokov says, on the fingers of one deformed hand.

More important for our present purposes, there is nothing inherently unliterary or subliterary about either the self-help book or the thriller. Both of them, in fact, are perfectly legitimate literary genres in which distinguished books of permanent importance both

can be and have been written.

That this statement is controversial is itself a measure of the extent to which our national literary consciousness is still dominated by European standards and expectations. For both these despised genres are peculiarly American. Both were, if not actually invented, then at least perfected, developed into something more impressive and enduring than they had ever been in England, by American writers.

In the case of the self-help book, this should not be surprising to anybody. What literary form could possibly be better suited to capturing the spirit of rugged, self-reliant individualism which is so central to the American national character? The self-help book is a book whose very existence assumes readers who want to help themselves, who want to take charge of their own lives and make successes of themselves. Such readers exist in all countries, of course, not only in America. Self-help books existed in eighteenth century England before they existed in this country. One English volume, *Self-Help* by Samuel Smiles, was particularly successful. But who reads Smiles today? Or even includes him in a history of English literature?

By contrast, Benjamin Franklin's *Poor Richard's Almanack* (1733-1758), which Joseph Epstein in his recent book *Ambition* (E.P. Dutton, 312 pp., \$13.95) calls "the first notable American work in this line," is still in print, still read, and generally regarded as one of the earliest classics of American literature. The same might be said of Franklin's *Autobiography* (1791), and has been by Epstein, who calls it "the first in a by-now long list of how-to and self-help books on achieving success."

Nor were these early books of Franklin's without worthy literary successors. Nearly all the essays of Ralph Waldo Emerson which we still read today were originally published in books with titles like *The Conduct of Life*, or were first heard as lectures on what later came to be called the

Chautauqua circuit — by self-improvement bent residents of Midwestern towns like Pittsburgh, Cincinnati, and St. Louis. And what is Thoreau's *Walden* but a self-help book? A manual on how to go back to nature and lead the simple life on 27¢ a week in a house you can build for yourself for \$28.12½? A book which explains, as Edward Dahlberg has put it, "how to resist evil, society, patriotism, poverty and war"? Even Mark Twain, he who wrote in 1885 in the "Notice" on the first page of *The Adventures of Huckleberry Finn* that "persons attempting to find a moral in [this narrative] will be banished" — even Twain took a stab at the self-help genre now and again, as in his 1895 essay "How to Tell a Story."

Nor did this higher sort of self-help writing die out in the last century. In the past decade alone the bestseller lists have included two such works: Robert Pirsig's *Zen and the Art of Motorcycle Maintenance*, which describes itself as "a sort of Chautauqua . . . intended to edify and entertain, improve the mind and bring culture and enlightenment," and which was written by a man who pictures himself traveling about the country with a portable library of three books — the owner's manual for his motorcycle, a general motorcycle troubleshooting guide, and a copy of *Walden*; and Carlos Castaneda's multi-volume, still developing series on the teachings of Don Juan, which explains the methods of implementing in one's own mind the Yaqui Indian "way of knowledge," and describes (dramatizes, some would say) the advantages of doing so.

There have also been any number of other such books whose titles and authors would be meaningless to most of my readers if I named them, books which would be acknowledged as American classics if they were judged on their own terms, by the standards appropriate to American literature, but which have instead been forgotten. For me the most interesting such Neglected Au-

thor case to be found under the heading of the Self-Help Book as Literature in all of American letters is the case of Jack Woodford.

Woodford was born Josiah Pitts Woolfolk on March 25, 1894 in Chicago, the son of a highly neurotic (and chronically unsuccessful) physician and his highly neurotic, hysteria-prone wife. A child seems to have been more than either of them could cope with, so Woodford was raised by his maternal grandparents — his grandfather a confirmed atheist and rationalist who owned and operated a private elementary school, his grandmother a devout Christian Scientist with an overactive imagination, and a highly developed capacity for belief in miracles, mystical occurrences, and the inventions of her own mind. He attended his grandfather's elementary school, the Chicago public schools, and Northwestern University, then took a job with a Chicago newspaper — only to drift out of newspapering and into law enforcement as a special detective for the Chicago District Attorney's office, only to drift out of that and into banking. By 1924, when he turned 30, he had acquired a wife, a 6-year-old daughter, and a good job with the Federal Reserve Bank of Detroit.

But he was bored. Of all the things he'd done — including his brief stints as a Chicago telegraph operator and as a hooper in a New York vaudeville house, both undertaken during summer vacations from school — newspaper reporting was the one he'd liked best. But now that he had a family, there was no question of going back to a job on a paper. It didn't pay well enough. How could he earn enough money by writing to quit his job and still support his family?

The answer, he decided, was writing fiction — short stories for the pulp magazines and the news and feature syndicates. The trick would be writing enough of it to produce a decent income. And it was a trick he mastered almost at once. Within two years he had sold a

thousand short stories to the pulps and the syndicates and was back in Chicago, supporting himself and his family by writing — along with an occasional, temporary, part-time stint as an ad copywriter. Three years after that, he published his first book, a collection of short stories called *Evangelical Cockroach*. And almost immediately, as he often said afterwards, the New York stock market crashed, plunging the economy into the Great Depression.

But still Woolfolk's career as a writer continued to blossom. He moved his family to Richmond, Virginia, where the cost of living was lower than in Chicago (and where he hoped to meet his own lifelong favorite among American writers, Richmond resident James Branch Cabell). And once there he quickly turned from the short story to the novel and began writing what passed in those days for pornography — mildly titillating sexual fantasies in realistic dress in which nothing explicit and no "vulgar language" ever intruded. Reading these novels today, it is difficult to understand why they were considered so scandalous at the time — until we remember that in the America of the first years of the Depression, the books of Henry Miller were banned by federal law, as was James Joyce's *Ulysses*, as was D. H. Lawrence's *Lady Chatterley's Lover*. The America of the '30s and '40s was a country in which no novelist could expect to see print at all if he used words like "fuck" in his copy, whatever his reasons might be. So it was that Ernest Hemingway felt compelled in 1940 to depict the characters in *For Whom the Bell Tolls* telling each other, "go obscenity yourself." So it was that Norman Mailer, when he published his first novel, *The Naked and the Dead*, in 1949, felt compelled to spell the same offending word "fug" (thus also inadvertently supplying the name for a deservedly notorious '60s rock group). And so it was that *Sin and Such*, *White Meat*, *Here is My Body*, *City Limits*, *Un-*

moral, *Strangers in Love*, *Temptriss* — the novels of "Jack Woodford" — quickly earned a reputation as "dirty books" when they began appearing in American bookstores and newsstands between 1930 and 1932.

Woolfolk had begun signing himself "Jack Woodford" in the mid '20s, when his prodigious output as a short story writer first forced him to adopt pseudonyms in order to avoid giving the impression (which would have been correct) that he'd written the entire contents of certain issues of *Black Cat*, *Snappy Stories* and *Telling Tales*. He'd also called himself Howard Hogue Kennedy and Gordon Sayre and Sappho Henderson Britt — but for whatever reason, Jack Woodford immediately and easily surpassed all the others in popularity. So it was as Jack Woodford that he signed his first book, *Evangelical Cockroach*, and it was as Jack Woodford that he signed almost every one of the nearly one hundred other books he would write and see published before his death in 1971.

Nearly all these books are almost totally worthless, of course. They were never meant to be anything else. Woolfolk never took himself seriously as a writer. He looked on writing as a business, more like the manufacture and marketing of baseball cards or crossword puzzles than the practice of anything which could reasonably be called an "art." His own most characteristic description of his work is to be found in his short book *The Loud Literary Lamas of New York* (Vantage Press, 1950), where he writes of having "made a dubious living rearranging twenty-six letters in various combinations."

He didn't regard all writing as dubious, apparently — just most writing, including his own. "I took real literature very seriously," he wrote in *The Autobiography of Jack Woodford* (Doubleday, 1962), "and still do, although I have never been able to write it in any form. And never will." Ten years earlier he had written in a

letter to New York literary agent Donald MacCampbell: "Greatness of any kind? No. Not ever. There will be no recrudescence of anything I ever wrote when I am dead because I never had any talent."

He certainly had something. His sex novels began selling as those of no other pornographer ever had up to that time, and the Woodford byline became a commodity in demand. Within three years of the publication of his first trashy novel, *Sin and Such*, he had been lured away from his original publisher by another publisher who was willing to pay him more for his manuscripts, and he had been approached by yet a third publisher about writing a How to Write book for aspiring authors. And the resulting volume, *Trial and Error: A Dithyramb on the Subject of Writing and Selling* (Carlyle House, 1933), became the most popular book of its kind in history, selling more than 100,000 hardcover copies and remaining continuously in print for nearly 25 years. It was also something of a *succes d'estime*. Burton Rascoe reviewed it in *Esquire* and announced: "I hereby accuse Jack Woodford of being a genius." Louis Bromfield found it "full of common sense," Upton Sinclair found it "very much to the point," and Vincent Starrett invited its author to take over his course in short story writing at Northwestern University.

What made *Trial and Error* so special? Well, to begin with there was the opening sentence of the introduction, the very first sentence in the book: "It is impossible to teach anyone to write." And there was the last sentence of that same introduction: "Please remember as you read that the book is called a dithyramb; in it you will find none of that stately excellence of organization which makes other books on writing, and theses designed to secure the degree of *Philosophiae Doctor*, such worthy reading matter." A dithyramb, of course, is a composition in prose or irregular verse which is characterized not by any particular subject

matter, but by the wild boisterousness and vehemence of its style.

And it was in fact style which, more than anything else, set *Trial and Error* completely apart from every other book of its kind — a breezy, freely digressive, uncommonly conversational and opinionated style, the kind of style which gives you the feeling reading it that you're not reading at all, but listening, listening to the voice of a real human being who has somehow stepped out of the book in full three-dimensional solidity and immediately become one of your best and oldest friends. But why talk to you of style in my own voice when Jack Woodford, whose chapter on "Style" in *Trial and Error* is probably the best short essay ever written on the subject by anybody, can do it for me?

"Style is the man!"... That is the way all chapters on style begin. How exquisitely collegiate! As indelibly so as a college yell.

"Style is the man." Why not: "Haircut is the man. B.O. is the man. Urinalysis is the man." It sounds impressive to those with Chautauqua minds, and it doesn't mean anything.

After you have been writing for awhile you will write in a manner more or less peculiar to yourself; that will be your "style"... And that's all there is to style; the less attention you give to building it and the less you notice the matter the better it will be for you; if you become hypersensitive about it, through reading overmuch on the subject you'll set up a woeful conditioned reflex against writing because of such hypersensitiveness.

You have noticed the peculiar staccato way in which I stagger along through this book, spattering extraneous material everywhere; running through rhetorical red lights; parking on the wrong side of syntax; violating all known rules of scholarly composition. That is my style. While I don't particularly like it, any more than you do, I wouldn't trade it even for the style of Mr. James Branch Cabell, though I admire his style more than that of any other contemporary novelist. Yes, it is *mine*, and you will be surprised to know that among those few who read what I write my style is so indubitably associated with me that they can detect my writing even if I do not sign it. Under no circumstances plan



your style upon mine; if you deliberately plan a style — which is a bad thing to do — take the style of almost any other contemporary writer; it is sure to be better than mine.

Everything that I write is written in this staccato, spilling over way; my letters, novels, brief notations aimed at reminding myself to do things I haven't the slightest intention of doing.

Of course, the reason Woodford's style turned up in everything he wrote was that his style was an expression of his essential character, his identity as a person, his personality. And the reason his style was so distinctive, and so easily identifiable by his readers, was that Woodford's personality was itself distinctive. He was, in the strictest sense of the word, a character. He was the sort of person of whom you'd delightedly say, whether you met him in person or in print, that you'd never met anybody like him.

Oh, he might remind you somewhat of Mencken (Richard Geis has called him "the poor man's Mencken"), if only because certain of his stylistic mannerisms derive as obviously from the Bad Boy of Baltimore as certain of his ideas derive from James Branch Cabell. He might also remind you a little bit of George Bernard Shaw (he called himself "a tin pot GBS") or of Westbrook Pegler or of W. C. Brann, the late nineteenth century journalist, skeptic, scoffer and iconoclast who set up shop in Waco, Texas of all places, and was fatally shot in the back on a public street in broad daylight for his trouble.

Like all of these writers, Woodford delighted in heaving dead cats into other men's sanctuaries (to borrow a phrase from the greatest of them, Mencken). Like all of them he was a writer whose best subject — the subject which consistently inspired his best work — was himself. Better than most of them he played the roles of two classic American types: he was the Village Atheist, the self-educated, incurably skeptical rationalist, the man without illusions. He

was also the Crank, the self-educated debunker of all conventional wisdom and promoter of the discredited, the half-baked, and the kooky. Above and beyond all this, however, he was — first, last, always, unabashedly, unmistakably and inimitably — himself.

And because he was always himself, he could serve as his own best example any time he wanted to illustrate the main precept which underlay every one of his five *How to Write* books: *Trial and Error, Plotting: How to Have a Brain Child* (Carlyle House, 1939), *Why Write a Novel?* (Murray and Gee, 1943), *How to Write for Money* (Marcel Rodd, 1944), and *Writer's Cramp*

strength of pipes and whatnot. Even in music there are certain rules. In writing there are no rules." The only thing that can possibly make your book a success, either commercially or aesthetically, "is style, mannerism, your idiosyncracies; the quotient of your glands, your *psyche*; your early impingements, the things lurking in your germ plasm. The Mendelian traits carried over in you from your ancestors ten thousand years back. The *essence de you*." (*How to Write for Money*) "You must do things your way; not my way, or anybody else's way. . . . Of all efforts the writing one is totally individualistic, even in the worst of writing." (*Writer's Cramp*)

Both the self-help book and the thriller are legitimate literary genres in which distinguished books have been written.

(Signature Press, 1953).

That precept, simply put, was that: "In most branches of human endeavor there is said to be a right and a wrong way of doing things. In writing there can only be *your way*. . . ." (*Trial and Error*) The one thing which can make a book memorable and give it permanence is its "individual vitality. By individual vitality I mean the unity, coherence, or force that comes out of the creative individuality of the one who is behind the whole thing." (*Plotting*) "The sort of novel you should try to write is the sort of novel you would naturally write; above everything else it should be *your own*. . . . There is not a *way* to write a novel; there is only *your way*. . . . Either you have a personality, or you have not. If you have it, it will show somehow in your novel, and it will be that and only that, which will cause your degree of success, if any." (*Why Write a Novel?*) "Writing cannot be taught as can plumbing. All plumbing is done according to certain static limitations having to do with the

Not surprisingly, Jack Woodford's notion that writing should be totally individualistic rubbed off on his thinking about other matters as well. One might even go so far as to say that he wanted everything in human life to be totally individualistic, and that it is precisely this broadly libertarian view of things which infuses all his really important books, not only the *How to Write* books, but also his intemperate jeremiad on the publishing business, *The Loud Literary Lamas of New York*, his diet book *How to . . .* (Arco Books, 1951), his prison memoir *Home Away From Home* (Chicago Paperback House, 1962), and his irreplaceable autobiography. Arguably, this view of things is also central in at least two of his eighty-odd novels: *Find the Motive* (Ray Long and Richard R. Smith, 1932), a murder mystery whose central character was modeled on Clarence Darrow — with Darrow's knowledge and cooperation; and *Vice Versa* (Godwin, 1935), "a novel in the surrealist manner

addressed to the anti-social, the engagingly mad, and the entirely unconstructive," as Woodford himself described it, a satiric fantasy based on his adventures in Hollywood in the mid '30s as a prolific sex novelist who was also a single parent with a teenage daughter.

Woodford had come to Hollywood in the winter of 1933-34, shortly after his divorce had become final and his custody of his daughter Louella had become official. Since 1930, when he had first begun writing his sex novels, he had become a one man fiction factory. Even in the '20s, the late Arnold Gingrich wrote in 1972, Woodford "used to keep a roll of wrapping paper in his typewriter. The typewriter had a special space bar that after 22 lines would chop off a page. . . . He could type at machinegun pace, and could compose a 10-page short story in actually less time that it would have taken the conventional typist just to make a fair copy of it. I used to watch him turn out a daily short story of 1500 words . . . in the time it took me to light and smoke two cigarettes."

Well, when he switched over to novels, Woodford simply adapted these tested methods of high productivity to the requirements of the new form. Beginning with his second sex novel, he established a pace from which he didn't deviate for years. "I averaged six, and sometimes more, sex novels per year after that, all of them seventy-five thousand words, under various pen names, some of them done in a week with no hurrying; others in a month, stopping to write and sell stories in between; some of them in two months while lolling around between Florida during the winters and Provincetown or elsewhere in New England during the summers."

Woodford's all time speed record was a 300-page, seventy-five thousand word novel in three days. "It was a flat typing job, nothing else," he wrote of it later. "I never paused for thought, any more than readers of sex novels ever do.



... When you have written several thousand sex stories and a whole shelf of sex books you are not aware of what you are writing. It comes straight, automatically, from the subconscious. You sit down, dispose of conscious thought, conditioned to the typewriter, put your fingers on the keys, and it flows, and you have no conscious knowledge of what is flowing—and never do have. I only at the beginning read what I wrote. As soon as the subconscious began to do it for me I never again read it. Since it always sold, it didn't seem to matter."

A year or two after arriving in Hollywood, Woodford went to work for Warner Brothers as a movie writer (he later said he'd switched from novels to films because all his novels had been about the same thing—300 pages—while a film script was only about 150 pages); but it wasn't long before he moved on to a rival studio, which he left almost as quickly for a third. He worked at four different studios in the four years of his career as a scenarist, ending up at MGM, where he held a public funeral on the lot for his unrenowned contract. Woodford simply didn't have the kind of temperament it takes to work for anybody else: doctrinaire individualist that he was, anything he did he had to do his way.

Moreover, his political opinions were beginning to embarrass the same studio moguls who had already had it up to here with his hot temper and his insistence on doing things his own way. Woodford opposed all war on principle, and he particularly objected to U.S. involvement in World War II. He believed, as he put it later, that as a nation we'd have been better off if "we stayed out of it all and followed the most thoroughly sound policy the world has ever known or ever will—that of minding one's own business." And needless to say, he wasn't one to keep any of his opinions to himself. He told them to everybody he met and put them in all his World War II-era *How to Write* books and generally spread

them all around until he found himself not only out of a job but blackballed—and not only in the film industry, but also in most of the publishing industry.

Undaunted, Woodford went back to Richmond and set himself up in the sex novel business again—this time as a silent partner in a hardcover publishing/mail order outfit based in Baltimore and called Signature Press. Woodford would write the books for Signature Press; his partners would publish and market them. That was the deal. But all partners in a firm are legally liable for misdeeds of the firm. And so, by the end of the 1950s, he was serving time in the Atlanta Federal Prison for mail fraud.

His stay there was brief—he was a model inmate, worked as prison librarian, and was granted parole after serving only one year of a three and a half year sentence—but it was devastating to his personal life. His daughter Louella had been under 24-hour psychiatric care since the late 1940s. At first, before he had talked himself out of his screenwriting income, he had employed private psychiatrists and psychiatric nurses to care for her in his home. Later, as his earnings steadily declined, he had paid for rooms in steadily dingier private psychiatric hospitals. At the end, imprisoned and cut off from all income of any kind, he had no choice but to watch helplessly as she was committed to a public crazy house, Eastern State Hospital in Williamsburg, Virginia.

When he emerged from behind bars he flashed once more, briefly, across the literary firmament, then fizzled out and fell silent. He had made much money in his time, and he had known everyone—Mencken, Dreiser, Darrow, Sherwood Anderson, Walter Winchell, Charlie Chaplin, William Randolph Hearst, many others. He had been praised and damned and written about by everybody from Maxwell Perkins (in *Editor to Author*) to Rudolf Flesch (in *The Art of Readable Writing*)

and Dale Carnegie (in *How to Win Friends and Influence People*). In more than a few quarters of American society, his name had become a kind of household dirty word. Now he was just another elderly ex-con, an aged crackpot, with no job history since the '20s and a host of personal enemies in the movie and publishing businesses, the only businesses in which he'd ever "really" worked.

Inevitably, he found his way to Eastern State—was brought there actually, by the Richmond police, who had forcibly extricated him from his room at a downtown residential hotel which he had refused to leave even though he'd long since run out of the money to pay the rent. He had, really, nowhere else to go. He spent his last years, his daughter beside him, a public ward in a mental institution, blaming all his problems on various shadowy conspiracies and devoting his final days to a final pathetic manuscript, a book about "telepathic mind control" which is described by those who have seen it as paranoid, rambling, filled with hatred, and ultimately, incoherent. He died of natural causes on May 16, 1971, at the age of 77, leaving behind him an estate valued at fifty-six dollars.

He deserves to be remembered. More, he deserves to be rediscovered by an entirely new generation of American readers. And it is perhaps not vain to believe that he may stand his best chance of such rediscovery at the hands of readers who value the liberty and independence of the individual. Woodford was no consistent libertarian in his politics, Lord knows; he was no consistent anything. But his politics, like everything else about him, was based in an extreme individualism. He believed in absolute freedom of speech. He opposed all victimless crime laws. He was a self-proclaimed isolationist who sounded like Harry Elmer Barnes Made Simple when he talked about Woodrow Wil-

son, World War I, the rise of Hitler, and the folly of American entry in World War II. He was a vociferous champion of capitalism who never tired (would that he had, sometimes!) of taking potshots at communism. Though he more than once delivered himself of high praise for FDR, he was a relentless critic of the one New Deal boondoggle he really knew anything about, the WPA Writers Program. And at all times, in all his non-fiction books, he fairly radiated a generalized contempt for politics and politicians. You got the feeling that he was smart enough to understand the game, but neither dumb enough to consider it important nor unscrupulous enough to dirty his hands in it.

Unfortunately, all these books, which ought to be the basis of his rediscovery, have been out of print and unavailable for years. Still, there are some hopeful signs. In the last year, a small publisher in Seattle, Jess E. Stewart, has begun quietly resurrecting the Woodford corpus. So far he has produced two books: *Jack Woodford on Writing*, which includes the entire text of *Writer's Cramp* and generous selections from the other four Woodford *How to Write* books; and the first paperback edition of *Trial and Error*.

The second of these volumes, the new edition of *Trial and Error*, comes as some of the best literary news in a long time. *Trial and Error* is the place to begin with Jack Woodford. It is the book which will hook you—if you aren't immune (a few are) to the Woodford spell—and ultimately send you digging in dusty second hand bookshops in search of the titles Jess Stewart hasn't reprinted yet. *Trial and Error* is available for \$10.95 (yes this is paperback, but it's also one of the most remarkable books you've ever read) from Woodford Memorial Editions, PO Box 55085, Seattle, Washington, 98155. Send a check today, and tune in here next month for some cheap thrills. □

Jeff Riggensbach is West Coast Editor of *LR*.

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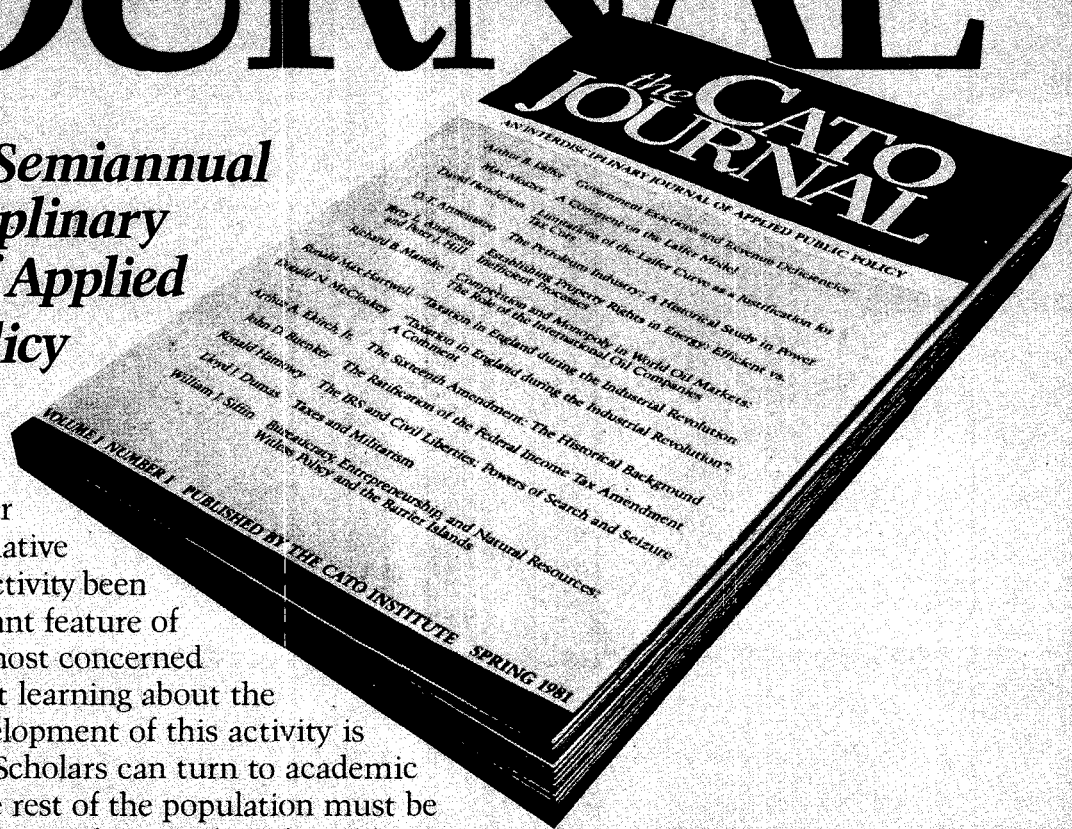
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